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# Daily Report

# East Asia

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# Daily Report
## East Asia

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## Japan

### Murayama Said Optimistic About U.S. Relations

*OW0906105195 Tokyo KYODO in English 1032 GMT 9 Jun 95*

[FBIS Transcribed Text] Tokyo, June 9 KYODO — Prime Minister Tomiichi Murayama on Friday [9 June] expressed optimism about the future course of relations between Japan and the United States despite their auto trade standoff, a Foreign Ministry official said.

"Japan-U.S. relations are extremely important," the premier was quoted as saying in a joint interview with Canadian and French journalists, which was arranged prior to the summit of the Group of Seven (G-7) major economic powers in Halifax, Canada, next week.

"President (Bill) Clinton and I have confirmed the dispute over autos and auto parts trade should not harm overall Japan-U.S. ties," Murayama was quoted as saying.

Murayama, who will leave Japan for Canada on Wednesday and confer with Clinton on Thursday, also reiterated Tokyo will try to resolve the bilateral automotive trade row under the umbrella of the World Trade Organization.

But the premier, who will also visit France after the G-7 summit, hastened to add that Japan will agree to resume bilateral talks if the U.S. drops its demand for numerical measures of market openness, the official said.

The two economic powers are at loggerheads over auto and parts trade, with Washington planning punitive tariffs on Japanese luxury cars entering the U.S.

Murayama told the journalists, including those representing Canada's GLOBE AND MAIL, France's LE MONDE and the U.S. WALL STREET JOURNAL, that his administration's policy of dealing with the U.S. as its key global ally remains unchanged, the official said.

While noting Japan's trade surpluses have been significantly pared and its imports have been steadily on the rise over the past few years, the premier said the nation's surpluses will continue to be slashed through efforts to spur domestic demand and deregulate its economy.

Asked about the G-7 summit of leaders of Britain, Canada, France, Germany, Italy, Japan and the U.S., he said Japan considers the summit vital as it provides an opportunity for the major industrial countries to coordinate their views on key global issues.

Murayama singled out as one of the most important topics to be discussed at the Halifax summit the proposed reform of the United Nations, the International Monetary Fund and the World Bank.

He also pointed to the need to reaffirm the world economy's sustainable growth without inflation and to the maintenance of a free trade regime.

Murayama denied Japan has shifted its emphasis from its ties with the U.S. to ones with other Asian nations, noting cooperation between Tokyo and Washington will contribute to the development of the Asia-Pacific region, the official said.

### Hashimoto Interviewed on Timing of Auto Talks

*OW0906063295 Tokyo Asahi Newstar Television Network in Japanese 0145 GMT 9 Jun 95*

[Remarks by Ryutaro Hashimoto, minister of international trade and industry, in response to questions from unidentified reporters at a routine news conference held after the cabinet meeting on the morning of 9 June]

[FBIS Translated Excerpt] [passage omitted] [Reporter] U.S. Trade Representative Kantor said yesterday that he had proposed to the Japanese Government to hold discussions with you at the Halifax Summit toward the solution of the [auto] problem. Would you like to confirm this?

[Hashimoto] I am really sorry, but I have not heard anything about this. I have asked the bureaucrats after learning that such a report is circulating, but as of now, there has been no contact to that effect. On the contrary, I was told by Ambassador Mondale just a few days ago that the U.S. Government is anxious that there should be no limelight on the auto issue at the summit. I have looked into the matter because I have heard such a report, but at this point, the truth is: we have not been contacted.

[Reporter] What would you do if such a request is made?

[Hashimoto] Well, I am sorry, but let us not talk about hypothetical questions. As it is, Canada resents the fact that at the quadrilateral trade talks, all public attention was focused on the auto issue, and none to the achievements of the quad talks. Moreover, this is not a question that I am in a position to answer on my own. We have to look at the significance of this in the entire process of the summit. So far, the United States has rather been asking that we should avoid the subject.

[Reporter] Does the Japanese Government take the same position?

[Hashimoto] Based on such thinking, of course, we have no intention whatsoever to overshadow the entire summit with this issue. What we would like to do is to deal solemnly with the issue with the start of the first round of deliberations on 12 and 13 June in

Geneva according to WTO [World Trade Organization] procedures.

[Reporter] About the meeting between the Japanese and U.S. leaders at the summit...

[Hashimoto] I am sorry, but with regard to the summit, I am not in a position to answer your question now. Discussions are going on about the summit. However, I have not been feeling well these past few days, and apart from committee and Diet meetings, I have tried to rest as much as possible. I have not heard anything about this.

[Reporter] I heard that you are also going to the summit in Canada. Do you think there will be any pre-summit talks?

[Hashimoto] I really do not know. I am not sure if there would be time before the summit, although I do know that the prime minister is going to take me. I do not know the details yet. As much as possible, I will try to brief you immediately before the trip, when things become more definite.

[Reporter] Hearings have been held in the United States on the sanctions.... [words indistinct]

[Hashimoto] This is still going on. I think I can be more accurate after I have seen all the reports.

[Reporter] Do you think the entire economic framework talks will be taken up at the summit meeting? [words indistinct]

[Hashimoto] I am sorry, but I told you candidly a while ago that I am not in a position to answer your question now. When things become clearer, I will give you a briefing before my departure. Although I have received memos, I have not been involved in the meetings personally, and there is a danger that I might be misleading. So please allow me not to reply. [passage omitted]

### Keidanren's Toyoda Comments on Trade Dispute

*OW0806133695 Tokyo KYODO in English*
*1315 GMT 8 Jun 95*

[FBIS Transcribed Text] Osaka, June 8 KYODO — The Japanese and U.S. automotive industries should deepen their understanding of each other's market at the private level to solve the contentious dispute in cars and car parts trade, top officials of Japan's influential business body said Thursday [8 June].

The call was made at a press conference held in Osaka by Shoichiro Toyota, chairman of the Federation of Economic Organizations (Keidanren), and Yutaka Kume, vice chairman of the organization.

Kume in particular said the next Japan-U.S. business conference, scheduled in July by the two countries' business leaders, will be a good occasion to promote such understanding.

Kume said U.S. businessmen's understanding of the Japanese market is improving, particularly among those in the car parts industry thanks to business missions sent by Japanese automakers.

But such understanding is not yet sufficient, he said.

"I do not believe the Japanese market is closed for American-made vehicles. If they learn the real situation here I think they will understand," Kume added.

Kume also said the fact that the Japanese Government has brought the trade dispute to the World Trade Organization has helped make the negotiation process clearer.

The trade dispute will not, however, be settled by the decision of the trade organization alone, Kume said, because there will be some more adjustments necessary with other countries.

### MOC Officials Preview Talks With U.S.

*OW0906091695 Tokyo KYODO in English*
*0903 GMT 9 Jun 95*

[FBIS Transcribed Text] Tokyo, June 9 KYODO — The United States is likely to demand a further opening of Japan's construction market in a bilateral meeting late this month in Tokyo, Ministry of Construction [MOC] officials said Friday [9 June].

The annual meeting of government officials is to be held to check on the progress of market opening in fiscal 1994, which ended March 31.

The U.S. in January 1994 withdrew its threat to impose sanctions against Japan after Tokyo agreed reform its bidding system for public works and to hold annual bilateral consultations to monitor the progress of market opening.

The agreement called for an open bidding system for all public works projects of the national government which are worth more than 4.5 million special drawing rights (SDRs) of the International Monetary Fund (IMF), or 730 million yen.

The system was also to apply to all such projects of government-backed organizations, prefectural governments and major municipal governments which are worth more than 15 million SDRs or 2.43 billion yen.

However, Japanese authorities granted few public works contracts to U.S. Companies in fiscal 1994, the officials said.

Japan had allowed only a select number of construction firms to bid for public works contracts, prompting U.S. demands for opening of the construction market.

### JAL's Toshimitsu Comments on Aviation Pact

*OW0806124995 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Jun 95 Morning Edition p 11*

[Report on news conference held by outgoing Japan Air Lines President Matsuo Toshimitsu on 7 June; place not given; from the "Revolving Chair" column]

[FBIS Translated Text]**Japan-U.S. Aviation Pact Clearly Unbalanced**

On 7 June, Japan Air Lines [JAL] president Matsuo Toshimitsu commented on the recent development in which a request made by a major U.S. cargo carrier for additional air cargo routes has caused friction between Japan and the United States over a bilateral aviation pact. Toshimitsu said: "The aviation pact is clearly unbalanced in favor of the United States. Japan's assertion is correct." He also indicated that he could not understand why the United States hints at imposing "sanctions against Japan which are illogical regardless of how they are looked upon." Although the news conference Toshimitsu held on 7 June was his last as the JAL president, it appeared that he still had a lot more to say about the aviation dispute.

The outgoing JAL president asserted: "Japan is incurring heavier losses each year due to U.S. abuse of the so-called beyond rights (privileges by which U.S. carriers fly to third countries via Japanese cities)." He also claimed that although U.S. airline companies are hoping to establish additional air routes in the rapidly growing Asian region, the aviation pact is "unbalanced regarding what it spells out" if a comparison is made between U.S. beyond rights and Japanese beyond rights which bring little profit to Japanese carriers. Toshimitsu selected his words carefully, saying: "This is an intergovernmental issue." However, he reiterated that "the government should maintain a firm stance."

### Tokyo Will Not Join Trade Embargo Against Iran

*OW0906025695 Tokyo KYODO in English 0228 GMT 9 Jun 95*

[FBIS Transcribed Text] Tokyo, June 9 KYODO — Japan told the United States on Friday [9 June] it will not join Washington's trade embargo against Iran, Foreign Ministry officials said.

Kensaku Hogen, director general of the Foreign Ministry's Middle Eastern and African Affairs Bureau, conveyed Japan's decision in a meeting Friday with Rust Deming, minister-counsellor of the U.S. Embassy, the officials said.

### EU Chief on Economic, Political Ties With Tokyo

*OW0906042295 Tokyo KYODO in English 0332 GMT 9 Jun 95*

[FBIS Transcribed Text] Brussels, June 8 KYODO — The chief of the European Commission proposed Thursday [8 June] strengthening trade and political relations with Japan.

Jacques Santer, president of the European Union (EU)'s policy-coordinating body, told a group of Japanese reporters that the EU desires more frequent consultations with Japanese leaders on both economic and political topics.

Santer said that the EU perceives it as crucial to expand ties with Japan and to increase political dialogue. The current ties are limited as they center on trade and economic issues, according to Santer.

Santer made the proposal prior to a summit slated for June 19 between Japanese Prime Minister Tomiichi Murayama and the leaders of the EU.

Santer said upgrading relations with Japan to include more political dialogue would not only benefit the EU, but also improve the stability of the international community.

He described the frequency of dialogue between the EU and Japanese leaders as insufficient since in the past it has been mainly limited to one major meeting a year.

Santer protested the U.S. refusal to allow EU delegates to attend a meeting on Japanese and U.S. automobile trade that starts Monday in Geneva.

santer said Washington should recognize the EU's right to join the planned talks.

He said any trade dispute should be resolved at a multilateral venue rather than through bilateral or unilateral measures.

The European Commission needs to consider a Japanese desire to secure a permanent seat on the UN Security Council, Santer said, adding that his commission does not have the authority to realize the Japanese wishes.

Santer also voiced the EU's wish to enhance relations with other Asian countries.

A summit between the EU leaders and the leaders of the Association of Southeast Asian Nations (ASEAN) and four other Asian nations slated for next March will send a political signal to the international community about the EU's desire to expand relations with Asia, he said.

Santer described the nature of a recent proposal to create a new transatlantic alliance between the United States and the EU as one seeking to strengthen political and security relations between the pair, on top of stronger economic and trade relations.

The emerging alliance concerns more than a transatlantic free trade area, he said.

### Kono Backs Zaire's Democratization Efforts

*OW0806140095 Tokyo KYODO in English 1324 GMT 8 Jun 95*

[FBIS Transcribed Text] Tokyo, June 8 KYODO — Foreign Minister Yohei Kono urged Zaire Thursday [8 June] to continue efforts to achieve democratization, saying Japan will consider extending full-scale economic aid to the African country depending on the progress of the democratization process, a Foreign Ministry official said.

Kono made the call during a two-hour meeting with visiting Zairean Prime Minister Leon Kengo Wa Dondo over dinner at the Iikura guest house in Tokyo, the official said.

Kono told Kengo Wa Dondo Japan has not been able to extend full-scale economic aid to Zaire because the rioting in 1991 ran counter to the democratization process and therefore violated Japan's guidelines on extending Official Development Assistance (ODA).

The ODA guidelines say consideration must be paid to an aid-recipient country's military trends and efforts toward democratization.

But Japan has been providing small-scale grant-in-aid to Zaire from a humanitarian point of view, such as offering medical goods to hospitals, and will continue to extend such aid, Kono was quoted as saying.

Specifically, Kono pledged Japanese aid totalling 1.7 million dollars to Zaire through the United Nations High Commissioner for Refugees (UNHCR) to help restore public order in Rwandan refugee camps, the official said.

Zaire currently has some 1.4 million refugees from Rwanda, Burundi and other neighboring countries.

Kono also told the Zairean prime minister Japan will consider extending 400 million yen through the World Food Program as food assistance for the refugees, the official said.

Kengo Wa Dondo, in Japan from Tuesday through Friday, told Kono that Zaire is making efforts to achieve democratization and that progress is "irreversible."

He urged Japan to offer aid in the areas of education, medicine and sanitation, and to help in infrastructure development such as road construction.

The Zairean prime minister also urged Japanese cooperation in a series of elections in Zaire, which are expected to be held within 12 to 18 months, the official said.

### BOJ Survey: Economy in 'Moderate Recovery'

*OW0906062195 Tokyo KYODO in English 0556 GMT 9 Jun 95*

[FBIS Transcribed Text] Tokyo, June 9 KYODO — The Japanese economy is on a moderate recovery track with the closely watched index for business confidence improving for five quarters in a row, the Bank of Japan [BOJ] said in a quarterly survey Friday [9 June].

The BOJ's May "Tankan" business sentiment survey showed the key diffusion index for major manufacturers stood at minus 16, an improvement from minus 21.

The index came to minus 27 for major nonmanufacturers, an improvement over the minus 29 three months earlier.

The index represents a percentage share of respondents observing favorable business performance minus those feeling otherwise.

The confidence index for the period to September came to minus 16 at major manufacturers, unchanged, said the survey.

The latest reading indicates that the economy is recovering moderately, said a BOJ official.

But he added that corporate managers appear concerned that the recent sharp rise in the yen and the slowing U.S. economy may have negative effects on Japan's economy, citing the outlook to September.

### BOT's Gyoten Discusses Yen Appreciation

*OW0906111295 Tokyo TOKYO SHIMBUN in Japanese 6 Jun 95 Morning Edition p 3*

[Article by Bank of Tokyo [BOT] Chairman Toyoo Gyoten from "Reading the Times" column: "What the Appreciated Yen Questions"]

[FBIS Translated Text] With the yen's exchange rate against the dollar remaining high at 80 yen to the dollar, the debate on the yen-dollar exchange rate in Japan continues to be mired in confusion. Some argue that since the exchange rate is determined by the supply-demand relationship of currency, which reflects economic fundamentals one way or another, the only way to control the exchange rate is to leave it to right itself on its own. Others, however, contend that the current yen-dollar exchange rate does not reflect economic fundamentals and that currency authorities of both countries should step in to correct it.

Needless to say, the exchange rate reflects the economy and at the same time affects the economy. Their casual relation has some latitude. Therefore, a debate must be held on the yen-dollar exchange rate, taking into account both why the yen has so sharply appreciated against the dollar and how the present exchange rate will change the economy in the future. The confusion in the recent debate on the yen-dollar exchange rate arises from the failure to think of these two aspects. The confusion also arises from the fact that the debate is preoccupied with the rights and wrongs of the present yen-dollar exchange rate. For this reason, no consensus has been shaped on how to interpret the present rate and how to deal with it.

I believe three viewpoints are needed to think about the current yen-dollar exchange rate. The first is how to interpret the yen's continual appreciation against the dollar since the 1970's. The second is how to deal with the yen's drastic appreciation against the dollar this spring. The third is to think of the meaning of the dollar's decline against the yen in the world currency system.

Let us consider the first viewpoint. The yen-dollar exchange rate of 360 yen per dollar set by U.S. occupation forces in 1949 made Japan's exports cheap. But that yen-dollar exchange rate remained unchanged until 1971 despite Japan's economic reconstruction and development. As a matter of course, the export-oriented industry grew while equipping itself with production facilities that could turn out products far in excess of domestic demand. This industrial structure has maintained Japan's trade surplus. The yen's low value against the dollar has been redressed in the course of the yen's appreciation against the dollar following the 1985 Plaza Agreement. The yen also continued to appreciate against the dollar in the 1990's, making Japan's exports less competitive in foreign markets and forcing Japanese industries to move their production overseas. The appreciated yen has also forced the export-oriented industry to adjust its excessive export capability.

The second viewpoint concerns the fact that the flow of short- term funds has ballooned since the 1980's against the background of worldwide monetary liberalization. Toward the end of last year, Japan almost monopolized the world's surplus. At the time, currency markets were jittery about the lack of measures to trim Japan's ballooning surplus. Currency traders have since bought the yen, after concluding that the yen would continue to appreciate for the time being. The currency traders have sped up their buying of the yen, thereby accelerating its sharp appreciation. Like a pendulum, the yen keeps moving toward appreciation against the dollar until it loses its inertia. This situation has resulted in an excessive appreciation of the yen against the dollar. In dealing with excessive market reactions in the short term, the issue is how to change the psychology of the market.

The third viewpoint involves the question of how to deal with the United States and the dollar in the world economy. It is paradoxical that while the United States is the world's biggest borrower, its currency remains the world's key currency. The dollar's value has fallen against other major currencies whenever the market has learned of the paradox. Nevertheless, the United States feels no sense of crisis over the dollar's decline as long as a situation is not created where inflation goes up in the domestic economy and stock prices crash. The recurrence of that course of events has slowly and steadily undermined the dollar's status as the world's key currency. The rest of the world has no choice but to begin thinking of how to build a new global currency system.

The appreciated yen is thrusting a few major tasks upon Japan. The appreciated yen issue cannot be resolved simply through some forcible means. The appreciated yen is not just the work of some currency speculators.

## Takemura on Plan To Improve Financial System

*OW0906055295 Tokyo Asahi Newstar Television Network in Japanese 0922 GMT 8 Jun 95*

[News conference by Finance Minister Masayoshi Takemura with unidentified reporters at the Finance Ministry on the afternoon of 8 June — recorded; from "Flash Report: News Conferences" Program]

[FBIS Translated Text] Thank you for waiting for me. The purpose of this news conference is, as indicated in the news release, to announce our plan to restore the functionality of the financial system in light of the current financial situation; and we seek the public's understanding of the plan.

The early disposal of bad loans held by financial institutions is an important issue facing Japan's economy, and needs to be solved. At present, although bad loans centered on non-performing loans brought to financial organizations by bankruptcy or arrears are being written off, the public has increasingly shown concern over how the financial system will be stabilized. In this sense, I keenly feel that we need to positively come to grips with the issue. To put the economy on the right track, while taking the current situation into account, we have decided on providing funds for economic activities in a smoother way by further promoting write-offs of bad loans, and also by upgrading the financing capability of financial institutions. In addition, a healthy and active financial system is indispensable to the stable growth of our nation's economy. For our economy to help in the establishment of a rich and creative society for the 21st Century, we consider it necessary to come up with a timeframe for settling the issues — including those subject to reduction of interest rates — in about five years without sticking to conventional ideas. For that reason, the Committee of Financial Systems Research [CFSR] will be asked to come up with a basic plan. For the time being, based on the following positions, the Finance Ministry for its part will tackle the issue for early settlement, and try to restore the functions of the financial system:

Self-help is a prerequisite to write-offs of bad loans held by financial institutions. It is hoped that widely diverse points of view will be included in the debate, including the possibility of government involvement, while keeping in mind the possibility of problems remaining even after the implementation of financial organizations' all-out efforts. The summary of the plan is as follows:

First, quality of assets of financial institutions is explained.

Touching on the status of the issue regarding bad loans held by financial organizations, the plan says the quality of assets of financial institutions of our nations has worsened seriously because of the emergence and collapse of the so-called bubble economy, but notes that taking drastic measures will certainly pave the way for the future improvement of our nation's economy.

Second, in connection with the expansion of disclosure, taking into consideration a report recently compiled by the CFSR, we will expand the limits of disclosure of bad loans, and at the same time make efforts to realize an adequate disclosure system as early as possible.

Third, I would like to refer to individual financial institution's own efforts for healthy management. The government will call on financial institutions to make maximum efforts to rationalize their businesses. The administrative side, for its part, from a standpoint of promoting their sincere management efforts, will improve the environment for them.

The fourth point touches on such measures as mergers and acquisitions among financial organizations as a way to beef up their management foundation. In promoting write-offs of bad loans, it is also important to take such measures as mergers and acquisitions among certain financial organizations to beef up their management foundations. However, if it would be difficult for them to overcome the difficulties even after taking such measures as merger and acquisitions, some measures should be taken to deal with possible bankruptcy.

Fifth, as measures to deal with bank failure, the government will compile a basic plan as soon as possible, with debate of the CFSR in mind. However, if an emergency case should happen before compilation of the basic plan, the government would deal with the situation for the time being by the following means:

To deal with bankruptcy of financial institutions, the government, in principle, will first study the possibility of adopting a financial support system — the social cost of which is small — before studying possible adoption of the pay-off system. Since it is considered difficult to adopt the pay-off system under the current situation, we hope to complete our work to establish financial conditions which can attach self-responsibility to depositors as early as possible, or in five years time at the latest. Moreover, we think that more strict conditions should be set for providing funds to support failed financial organs under the deposit insurance system. However, we also think that before the conditions have been improved so that the principle of self-responsibility can also be applied to depositors, there is no other alternative but to take a special measure based on Article 25 of the Bank of Japan Law. This will be a measure for providing support in funds, which is not provided under the normal deposit insurance system. But this emergency measure is limited to cases wherein normal financial support under the deposit insurance system is found to be insufficient, and caution should be exercised in taking this measure.

Finally, I would like to touch on the necessity of strengthening the inspection and monitoring systems. The government will call on financial institutions to make efforts to ensure healthy management of their businesses, while strictly applying functions to monitor their management. As far as credit unions are concerned, measures will be taken to improve the system of inspecting and monitoring their business operations. As for details, the chief of the Banking Bureau will give you a briefing later.

The Finance Ministry believes the plan reflects the ministry's drastic and positive attitude toward the financial issue, while seriously considering the facts and the importance of the situation. I think our positive attitude is reflected in various parts of the plan, and I hope the plan will be fully discussed and studied. That is all.

### EPA Head Komura Praises Bank Bailout Plan

*OW0906034195 Tokyo KYODO in English 0257 GMT 9 Jun 95*

[FBIS Transcribed Text] Tokyo, June 9 KYODO — The head of the Economic Planning Agency (EPA) on Friday [9 June] praised the Finance Ministry's announcement of a package to expedite disposal of banks' nonperforming loans.

Masahiko Komura, director general of the EPA, said in a press conference after the regular cabinet meeting, that the decision to unveil a comprehensive bailout plan at this moment should be "a step forward" for the issue.

Finance Minister Masayoshi Takemura announced the package Thursday aimed to stabilize Japan's financial system, including ways to dispose of bad loans in five years. Such nonperforming loans have squeezed financial organizations since the collapse of the bubble economy.

"I believe it is natural that public funds are used for the issue since every financial institution makes every effort to combat the problem," Komura said.

Regarding the possible impact of the bailout plan on the economy, Komura said, "if you read the plan carefully, you will find that a negative factor which has pulled down Japan's economy will be reduced."

### MOF's Package To Rescue Bad Loans Reviewed

*OW0806155495 Tokyo KYODO in English 1521 GMT 8 Jun 95*

[By Keiko Tatsuta]

[FBIS Transcribed Text] Tokyo, June 8 KYODO — The Finance Ministry [MOF] has paved the way for the use of public money to rescue "nonbank" moneylenders, especially housing loan companies, which are on the verge of collapsing under the heavy weight of nonperforming loans.

A package released by the ministry on Thursday [8 June] contains ways to restore public confidence in Japan's financial system, including a rule for the use of special loans by the bank of Japan [BOJ] as an emergency five-year step.

An estimated 40 trillion yen in bad loans is a negative legacy of the "bubble" economy of the late 1980s, during which banks and credit firms aggressively and sometimes recklessly extended lending for real estate deals on skyrocketing asset prices. But the bubble's consequent burst left many of them nonperforming.

Hardest hit by such problem loans are seven specialized housing loan companies, all of which were in the red in the latest business year with a combined 6 trillion yen in bad loans.

Long-slumping property prices stalled their 10-year reconstruction programs from 1993, as much of real estate property they hold as collateral has been frozen in the market.

"Some of these housing loan companies may be forced to review their reconstruction plans," Finance Minister Masayoshi Takemura said while announcing the package.

The package urged a drastic review of the rescue programs, apparently reflecting a sense of crisis by the ministry that the nation's entire financial system would be eroded further due to the problem of housing loan companies.

The Japanese monetary authorities have been cautious in committing themselves to the use of public funds for bailouts of financial institutions amid growing criticism over the recent government rescue for two failed credit unions in Tokyo.

The scheme has drawn public criticism as taxpayers' money is to be used for organs which went bankrupt due to lax management.

In the package, the ministry set strict conditions for using bank of Japan special loans under article 25 of the BOJ law for housing loan firms and other credit companies, apparently to avoid a similar criticism in future cases.

Invoking the provision should be a "last resort," said Masaru Takagi, chief economist at the Fuji Research Institute.

Takagi called for transparency of the process that lead to the use of the central bank's money, saying, "the public's understanding is a prerequisite."

Either way, the self-responsibility of every lender should come first, Takagi said.

It is important to avoid the "moral hazard" by keeping financial institutions from taking an easy way of going to the BOJ, he said.

The conditions set are the resignation of management staff, burden-sharing by shareholders, a thorough rationalization plan and full assistance by related banks.

Yuri Okina, senior economist at the Japan Research Institute, urged that a concrete scheme be implemented to settle the problem of housing loan companies.

Okina also said she wonders if the package is aimed for the rescue of all seven firms or not.

She cited the need to assess the cost of helping these firms, saying if the use of public money would cost the entire national economy fairly less, the sooner the better.

"The later action is delayed, the more the cost will run up," she said.

### Construction Ministry Unveils 5-Year Plan

*OW0806115595 Tokyo KYODO in English*
*1128 GMT 8 Jun 95*

[FBIS Transcribed Text] Tokyo, June 8 KYODO — The Construction Ministry revealed a five-year program Thursday [8 June] to promote the restructuring of the construction industry.

The program, which is based on a policy outline mapped out in April, calls for educational plans to foster key industry engineers, who are expected to be in short supply.

The five-point program also stresses the importance of implementing measures to help construction companies strengthen their operational base, increase the use of information technologies, improve production processes and upgrade the quality of work.

The ministry said local governments should create funds and educational facilities to help the industry complete the program by 2000.

Other support measures mentioned by the ministry include advisory services and seminars to strengthen the management of smaller contractors, who are expected to face stiffer competition through the internationalization of Japan's construction market.

### Keidanren Head on Funding Airport Construction

*OW0806123495 Tokyo KYODO in English*
*1207 GMT 8 Jun 95*

[FBIS Transcribed Text] Osaka, June 8 KYODO — Airport construction and expansion work in Japan should be funded mostly by the national government and local authorities, the chief of Japan's top business lobby said Thursday [8 June].

Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), made the remark at a news conference in Osaka, suggesting that the business community's contribution to airport construction and expansion work should be a limited one.

Toyoda was commenting on the planned construction of Chubu International Airport outside Nagoya and the proposed expansion of the Kansai International Airport in Osaka Bay.

The Japanese business community has been under pressure to contribute more to the cost of the work.

Toyoda said the national government should make generous investments in airport construction and expansion work and local authorities should also make investments in accordance with benefits they would receive.

### Daihatsu Develops Electric Vehicle 'Mini Sway'

*OW0906082195 Tokyo JIDOSHA KOGAKU*
*in Japanese Jul 95 p 198*

[FBIS Translated Text] Daihatsu Motor Co., Ltd. has put on sale 200 new four-wheel, super-compact electric cars, the first to have their own power source. This vehicle, the Mini Sway, is designed to carry one passenger. Daihatsu developed it in cooperation with Kansai Electric Power Co., Ltd.

The Mini Sway is a distinctly new kind of vehicle designed for uses similar to conventional electric cars, in other words for transportation tasks over quite short distances in a quiet environment. It has many special advantages. For example, the body of the automobile is roughly the same size as a two-wheel vehicle, which makes it light and highly maneuverable. It is also economical to maintain, among other reasons because, being classified as a power-unit-equipped vehicle, taxes, insurance charges and other costs are low. The fact that it has four wheels contributes to safety and ease of handling under rainy conditions.

The Mini Sway is equipped with a rechargeable 100-volt home appliance-type battery with a grounding terminal and a sealed lead battery that does not require supplementary water. These features contribute to the ease of maintenance.

Under the vehicular code, the Mini Sway is considered a "four- wheel cycle with its own power unit." But as far as the Road Traffic Act is concerned, it is treated the same as a normal passenger vehicle. Therefore,the operator must have a regular driver's license before he can drive on public thoroughfares. In principle, the vehicle is covered by voluntary auto insurance. The driver does not have to wear a helmet, and the vehicle is equipped with a seat belt. The Mini Sway is not bound by the legal speed limit of 30 km/h for cycles.

Below are some comparisons between the Mini Sway (a) and (b)conventional light passenger vehicles:

Auto inspections: a) not required b) required

Vehicle tax: a) 2,500 yen/year b) 7,200 yen/year
Acquisition tax: a) none b) 3 percent
Weight tax: a) none b) 4,400 yen/year
Self-compensation insurance: a) 11,600 yen/3 years b) 28,000 yen/3 years

These figures clearly indicate that tax, insurance, and other maintenance costs are less expensive for a Mini Sway than for a light passenger vehicle.

Below are listed the principal specifications for the Mini Sway:

Size: 2,395 mm by 1010 mm by 1490 mm (LxWxH)
Wheel base: 1500 mm
Treads: front 840-mm/rear-830 mm
Weight: 470 kg
Number of passengers: one only
Top speed: 45 km/h
Minimum turning diameter: 3 m
Range on single charge of batteries: 55 km at 40 km/h (35 km on city streets)
Slope climbing capability: 11 degrees
Electric motor type: DC brushless
Rated power output: 0.59 kW
Transmission: belt-type, nonstratified transformer
Main batteries: six sealed lead 65 AH/5 HR storage batteries
Recharging unit: 100V/15A (grounding terminal attached)
Average charging time: 10-12 hours
Tire sizes: 135 SR 10 (front and rear)

The standard domestic price for the Mini Sway will be 1.43 million yen.

The name for this new electric car derives from the desire of the companies involved to show the possibilities for making electric cars smaller. Specifically, the word "Mini" shows that the trend is towards making electric cars smaller, while the "Sway" refers to the way the vehicle rides.

## Nissan Develops New Auto Navigation System

*OW0906082095 Tokyo JIDOSHA KOGAKU in Japanese Jul 95 p 196*

[FBIS Translated Text] Nissan Motor Co., Ltd. has announced that it has developed a new car navigation system, the first in the world that allows a driver at any given time to enjoy on the car navigation unit screen a bird's eye view that stretches all the way to the horizon. It plans to begin installing this system in new model cars designed to go on sale in the near future. Nissan jointly developed it with an affiliate, Navi Infomatics, Ltd.

This system was developed to respond to two consumer needs. First, by offering a map on the screen of the car navigation unit screen that is easy for the driver's eyes to take in. Second, by satisfying the driver's need for detailed information on the area near the vehicle at any particular time, while identifying the options for routes going in the direction of the driver's destination and providing information about the areas around them.

In order to do so, the engineers involved decided that they had to offer the kind of view that a bird soaring in the air would see, so that at one time the driver would be able to get a natural look at store-lined streets and highways, while furthermore allowing him to take in on the screen the general situation in the direction he is heading as far as the horizon.

In the past, if a driver wanted to enjoy such a bird's eye view, he needed to have a navigation unit with the display processing capabilities of a small computer. But by combining a 32-bit CPU and an exclusive Nissan high-speed, picture-processing system, the designers of the system were able to come up with a unit that would fit into its passenger vehicles.

The system has five special features.

1. It presents a diagram of the area that the driver is going through that stretches all the way to the horizon and has a very "free" and open feel to it. Since the scale and distance perspective is the same as that a person would normally see if viewing the area from above, the driver's eyes instantaneously comprehend the information on the screen. In addition, since the territory is broken up into grids corresponding to each 500 meters (as seen by the eyes), it is easy for the driver to judge distances.

2. Detailed information is provided on the area around where the vehicle is located. Furthermore, the screen diagrams show an area 30 times greater than those of conventional navigation systems, so that by blowing up the reduced format diagram the unit can show the destination and its approaches from a much greater distance.

3. Information on the area around where a vehicle is at a certain time is much more detailed than with conventional units. It follows an established order of precedence in presenting information on street names,place names, the names of businesses and other facilities, and so on. These diagrams are always easy for the driver to understand.

4. When the night cruising mode option is chosen, the background of the display is black so that the driver enjoys the sensation of looking at beautiful night scenery.

5. Thanks to the use of a 32-bit CPU and Nissan's unique high- speed, picture-processing system, the time required for transition from a standard surface image to a bird's eye view is greatly reduced and makes it readily available for navigation purposes.

In our next issue of JIDOSHA KOGAKU, we will feature a detailed report on this Bird's Eye Navigation System.

### Decision on No-War Resolution Divides NFP

*OW0806131895 Tokyo KYODO in English 1240 GMT 8 Jun 95*

[FBIS Transcribed Text] Tokyo, June 8 KYODO — Japan's largest opposition party failed Thursday [8 June] to make a decision on whether to support a no-war resolution proposed by the ruling coalition, making it unlikely that the House of Representatives can vote on it Friday as scheduled.

Shinshinto (New Frontier Party) convened a meeting of its executives to discuss the proposed resolution, but they remained apart over how to deal with it due to different views, Shinshinto officials said.

Some Shinshinto executives supported the resolution, but others opposed it for different reasons — one for not stating clearly Japan was responsible for wartime atrocities and another saying the Diet cannot pass judgments on history, they said.

The proposed resolution expresses regret over Japan's role in World War II but does not make a clear apology to Asian nations for wartime atrocities.

The ruling coalition has proposed to Shinshinto that the lower house vote for the resolution Friday on condition that Diet testimonies by a Shinshinto lawmaker and a former Shinshinto executive be canceled in the current Diet session.

A group of conservative hardline lawmakers from the Liberal Democratic Party, part of the tripartite coalition, also cast a shadow over Friday's vote by issuing a statement opposing the resolution.

Seisuke Okuno, who chairs the group, told reporters that he will boycott Friday's vote if it goes ahead.

The LDP plans to oblige its lawmakers to vote for the resolution despite opposition from some lawmakers to doing so and does not expect so many lawmakers to vote against it, LDP officials said.

### Coalition Submits 'No-War' Resolution to House

*OW0906085595 Tokyo KYODO in English 0839 GMT 9 Jun 95*

[FBIS Transcribed Text] Tokyo, June 9 KYODO — The ruling three-party coalition submitted a no-war resolution to the House of Representatives on Friday [9 June], urging the divided main opposition party, Shinshinto, to vote on it the same day.

The ruling coalition of Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) [of Japan, SDPJ], the Liberal Democratic Party (LDP) and New Party Sakigake submitted the resolution marking the 50th anniversary of the end of World War II and casually repenting for Japan's wartime aggression.

But Shinshinto (New Frontier Party), launched last December, is divided over the proposed resolution, and a senior party member asked the ruling coalition to hold a high-level meeting with the opposition party.

Some senior Shinshinto members support the resolution, but others oppose it for different reasons — one for not stating clearly Japan was responsible for wartime atrocities and another saying the Diet cannot pass judgments on history, lawmakers said.

The proposed resolution expresses regret over Japan's role in World War II but does not make a clear apology to Asian nations for wartime atrocities.

The coalition has proposed to Shinshinto that the lower house vote for the resolution on Friday on condition that Diet testimonies by a Shinshinto lawmaker and a former Shinshinto executive be canceled in the current Diet session ending June 18.

### Resolution Passes Without NFP

*OW0906112895 Tokyo KYODO in English 1109 GMT 9 Jun 95*

[FBIS Transcribed Text] Tokyo, June 9 KYODO — The ruling coalition rammed a controversial no-war resolution through the House of Representatives Friday [9 June] night in the absence of the main opposition Shinshinto (New Frontier Party).

The development came after the coalition rejected an amendment proposed by Shinshinto to the coalition-proposed resolution to mark the 50th anniversary of the end of World War II.

### No-War Resolution Without NFP Discussed

*OW0906142795 Tokyo KYODO in English 1414 GMT 9 Jun 95*

[FBIS Transcribed Text] Tokyo, June 9 KYODO — The three-party ruling coalition rammed a controversial resolution, designed to express repentance for Japan's wartime acts, through the House of Representatives Friday [9 June] night in the absence of the main opposition party Shinshinto (New Frontier Party).

The passage came after the tripartite coalition rejected Shinshinto's amendment proposal aimed at ensuring that the resolution mentions Japan's responsibility for wartime atrocities.

The resolution, approved by a majority standing vote and intended to mark the 50th anniversary of the end of World War II, expresses "deep remorse" for Japan's invasion of Asian countries and colonial rule without referring to the Korean peninsula by name.

Prime Minister Tomiichi Murayama expressed regret at Shinshinto's boycott of the vote that left the lower house almost half-empty.

"It's very regrettable that Shinshinto boycotted the vote. But I regard with sincerity the fact that the resolution was adopted before the Diet," a grim-looking Murayama told reporters.

Chief Cabinet Secretary Kozo Igarashi also expressed regret at Shinshinto's boycott of the vote, but praised the passage of the resolution as highly meaningful.

"With this, we want to make efforts to settle pending issues left after the war, particularly the issue of compensating comfort women," Igarashi told reporters, referring to women forced into wartime sexual slavery for Japanese soldiers.

"We are determined to make efforts to share a perception of history with Asian nations so that we can have confidence in each other," Igarashi said.

Shinshinto reacted with anger to the ruling coalition's move to railroad the resolution through the lower house, threatening to submit a no-confident motion against House of Representatives Speaker Takako Doi and Vice Speaker Hyosuke Kujiraoka.

"It's highly regrettable because it runs counter to the principle of democracy," Shinshinto President Toshiki Kaifu said in reference to the forcible adoption of the resolution.

The Japanese Communist Party (JCP) voted against the resolution.

JCP Chairman Tetsuzo Fuwa blasted the resolution.

"The forcible adoption of a resolution that rationalizes the war of aggression has left an undesirable stain on the history of the Diet," Fuwa told a press conference.

More than 50 LDP members, including Seisuke Okuno, leader of a group of conservative LDP members opposed to the resolution, boycotted the vote. He has said the resolution was based on a one-sided condemnation of Japan's wartime actions.

More than 10 members of the Social Democratic Party (SDP) [of Japan, SDPJ], including former Chairman Makoto Tanabe, also boycotted the vote. He has said the resolution falls short because it does not apologize to Asian nations for wartime acts.

Shinshinto officials said former Prime Minister Morihiro Hosokawa and some other party members are in support of a no-confidence vote against Murayama's cabinet.

But it remains uncertain whether the largest opposition party will submit such a motion as there is speculation that the LDP may have wanted the resolution to be bulldozed to prompt Shinshinto to submit a no-confidence vote against Murayama, thereby getting a chance to call a snap election, they said.

The wording of the resolution had been a stumbling block to a coalition agreement on it, posing the threat of a possible breakup of the alliance involving the Liberal Democratic Party (LDP), Prime Minister Tomiichi Murayama's SDP and New Party Sakigake.

The LDP and two other coalition partners had been at odds over what to say about Japan's wartime aggression and the 1910-45 colonial rule of the Korean Peninsula.

The SDP and New Party Sakigake had sought inclusion of a clear-cut apology to Asian nations for Japan's wartime atrocities, but the resolution does not contain any clear apology as a result of a compromise with the LDP, whose conservative and hard-line lawmakers oppose one.

The resolution has therefore come under fire from some Asian nations, particularly South Korea, for not making a clear apology for Japanese colonial rule.

On that point, the resolution states that "solemnly reflecting upon many instances of colonial rule and acts of aggression in the modern history of the world, and recognizing that Japan carried out those acts in the past, inflicting pain and suffering upon the people of other countries, especially in Asia, the members of this house express a sense of deep remorse."

### Editorial Views No-War Diet Resolution

*OW0806145295 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Jun 95 Morning Edition p 2*

[Editorial: "Japan Urged To Seek To Live Together With International Community in line With No-War Diet Resolution"]

[FBIS Translated Text] An agreement has been reached among ruling coalition parties on a draft no-war parliamentary resolution which will be adopted by the Diet in commemoration of the 50th anniversary of the end of World War II. The draft resolution, entitled "The Renewal of Resolve for Peace Based on the Lessons of History," is expected to pass the Diet at a plenary session of the House of Representatives on 9 June at the earliest. The draft resolution is the outcome of a compromise on various values. We hope that although the news media in the United States and South Korea have made a grim assessment of the resolution, Japan will renew its resolve to move along the path to live together with the international community on the occasion of the resolution.

Addressing a session of the House of Representatives at the beginning of this year, Speaker Doi stated: "I hope that the Japanese will engrave anew in their minds the history of no-war, 50 years during which they worked to cherish peace as the most important thing. The Japanese will be able to open a way for their future in the world by having the ability to honestly search their souls over their past and transforming other Asian nations' distrust of Japan to trust. " Originally, the parliamentary resolution was designed to send this message to people at home and abroad.

Until the ruling coalition parties struck a deal, their debate over the resolution had failed to consider the impact the parliamentary resolution has on other nations and left us with some bitter aftertastes. Former Deputy Prime Minister Watanabe stated that the "Japan-Korea Annexation Treaty was concluded smoothly between the two countries," and his statement was shameful. Besides this, many insensitive arguments were made.

The parliamentary resolution describes "soul-searching" rather than "colonial rule" and "acts of aggression." The trick was to interpret the resolution to mean that Japan is not the only nation that ruled other Asian nations colonially and committed acts of aggression. The debate revealed the dark side of the issue. Frankly speaking, the resolution does express a feeling of soul-searching over the war and a resolve for peace, but the effect of the resolution as Japan's message to other nations is reduced by half. This is regrettable.

Looking at the text of the parliamentary resolution, we wonder why the ruling coalition parties continued to hold so many unproductive debates in order to draft a sentence that is regarded as common sense. We believe there are two reasons behind it.

First, the ruling Social Democratic Party of Japan and Sakigake [Harbinger] pressed the ruling Liberal Democratic Party [LDP] to accept the three-party agreement when the Murayama government was inaugurated, and part of the three-party agreement can be construed to be logically contradictory. The part of the agreement in question is that the new government should vigorously work to get the Diet to adopt the parliamentary resolution, which is not logical considering the division of the three powers of government. As a result, there has been confusion in the debates.

Second, the ruling coalition parties may have underestimated the difficulty of bridging their differences on the historical view. Those who experienced World War II have a variety of views on the war. When the debate was held in the political arena, this variety of views should have been taken into consideration. If present-day Japanese politics had been sensitive to other nations, it would not have been difficult to bridge those differences. The ruling coalition parties ran into difficulty coordinating their opinions because Japanese politics is insensitive to other nations.

The "League of Dietmen on the 50th Anniversary of the End of World War II," headed by Seisuke Okuno and organized by LDP- affiliated lawmakers, has confirmed its plan not to approve the parliamentary resolution; and the league is said to be planning to stick to its differing historical view. If so, we would like to propose that the league rally new political forces under the banner of its opposition to the resolution. The resolution says, "The Japanese should humbly learn lessons of history transcending their differing historical views and work to build a peaceful international community." We believe that the 50th anniversary of the end of World War II provides an opportunity for the Japanese to confirm that resolve.

### Daily Views Murayama, Upper House Election

*OW0906102795 Tokyo ASAHI SHIMBUN in Japanese 8 Jun 95 Morning Edition p 2*

[FBIS Translated Text] Now that the prospect of the Diet's passing a resolution to mark the 50th anniversary of the end of World War II — an issue which turned out to be a test of the unity of the three ruling parties — has become bright, Prime Minister Tomiichi Murayama can pursue other political goals, primarily the upper house election.

Murayama wants to rush a new coalition agreement among the Liberal Democratic Party [LDP], the Social Democratic Party of Japan [SDPJ], and the New Party Sakigake [Harbinger] and play up this agreement in the upper house summer election by asking for "trust in the three-party coalition." Murayama wants to set new policy goals while calculating the right time for a cabinet reshuffle, for which demands are increasing within the ruling parties. The process of adjusting views on the Diet resolution has unexpectedly exposed the fragility of the ruling parties, which are supposed to "support the Murayama government." Thus, the sense of insecurity remains.

In the process of adjusting views among the ruling parties on the Diet resolution, some have even talked about the possibility of dissolving the lower house and holding a general election. The prime minister, who once went so far as to think "should the resolution be meant to go halfway, then we don't need one," appears to feel he has "come out of a pinch" now that the matter of the resolution has been settled, according to a senior government official. Murayama now wants to put more emphasis on preparing for the upper house election.

Speaking about the immediate task of arriving at a new three-party agreement in interviews with newspapers on 5 June, the prime minister revealed his strong intention, saying: "The agreement will be the ruling parites' common commitment in the upper house election. The three parties will be responsible for what this government does." The prime minister has asked the ruling parties to draft the agreement before the industrial nations' summit in Halifax, Canada, on 15 June. A source close to the prime minister said, "It is possible that the tripartite agreement can be reached before the summit."

Nonetheless, the topics being discussed for inclusion in the new agreement include issues such as "establishment of a safe society," "promotion of administration reform including deregulation," and "passing along to consumers gains from yen appreciation" — topics which apparently suggest nothing new. The prime minister appears to be interested not so much in new policies as in how to direct the momentum of government political power toward the upper house election, given the ongoing predictions that his SDPJ will be facing a difficult battle in the election and he will be questioned about his responsibility as chairman of the party.

Meanwhile, there are voices within the ruling camp calling for a cabinet reshuffle before the upper house election, and this move is led by Sakigake people who want Masayoshi Takamura, the finance minister and their party representative, to come back to party headquarters to concentrate more on party matters. Although many close to the prime minister say that "the card for the cabinet reshuffle should not be used until after the upper house election," it is likely that the prime minister will have to set the future political schedule cautiously, assessing the merits and demerits of the early cabinet reshuffle.

## LDP Conflict Over Murayama Successor Discussed

*OW0906095895 Tokyo MAINICHI SHIMBUN in Japanese 5 Jun 95 Morning Edition p 2*

[Article by Political Editor Yoshinobu Odawara: "Post-Murayama — Intense Conflict Between the Former Keisei-Kai and Anti-Former Keisei-Kai Factions"]

[FBIS Translated Text] The "Post-Murayama" issue came up as Yoshiro Mori, secretary-general of the Liberal Democratic Party [LDP], revealed in a speech that Prime Minister Tomiichi Murayama made remarks on "limitations" of the coalition government.

The ruling coalition parties hope to select the next prime minister from the LDP, which is the biggest party in the coalition. Yohei Kono, deputy prime minister and concurrently foreign minister (also president of the LDP) and Ryutaro Hashimoto, minister of international trade and industry, both key cabinet members, are most likely to be the next candidates for prime minister.

Concerning the Diet resolution commemorating the 50th anniversary of the end of World War II, on which the decision was postponed till 5 June, Kono has worked as one of the party's executive leaders to build a consensus within the LDP. Meanwhile Hashimoto, who chairs the Japan Association for the Bereaved Families of the War Dead has made "demands" on the party executives. Some party members tend to look at the result of this issue in light of the prime ministerial race.

When the ruling and opposition parties were coordinating the deliberation schedule on the supplemental budget in mid-May, it was reported in political circles that Hashimoto told Toshiki Kaifu, head of the opposition Shinshinto [New Frontier Party, NFP]: "Prime Minister Murayama says he wants to step down after the adoption of the first FY95 supplemental budget. I would like you to delay the adoption of the supplemental budget."

As for Kono (who belonged to the former Miyazawa faction), the party presidential election set for this fall is his most difficult hurdle. When he was inaugurated as party president in the summer of 1993, the LDP was an opposition party; and the decision to select Kono, who rejoined the LDP from the defunct New Liberal Club, was made as the party's emergency measure. To be reelected, Kono must win at the simultaneous elections of the Lower and Upper House and strengthen his power base. He predicts that if the elections of the Lower and Upper House are conducted at the same time, the situation will favor the LDP, since the NFP has not established local party organizations. To conduct such simultaneous elections, Kono wants the administration to be handed over to him by the prime minister at an early time. Consequently, the rumor about Hashimoto's request to Kaifu, whether it is true or not, is very persuasive.

Meanwhile, it is indispensable for Hashimoto to win a majority at the presidential election this fall to capture the office of prime minister and replace Murayama. The former Keisei-Kai (Takeshita faction) became the fourth-largest faction within the LDP after its breakup in December 1992. LDP Vice President Keizo Obuchi and former LDP Secretary-General

Seiroku Kajiyama repeatedly met with NFP Secretary-General Ichiro Ozawa, who split from the Takeshita faction. It is also said that Hashimoto has been meeting with Ozawa. A "conservative-conservative alliance" is probably being considered.

The LDP is currently divided into three camps: the party leadership led by Kono and Mori; the former Keisei-Kai led by Obuchi, Kajiyama and Hashimoto; and a new camp, the YKK trio, consisting of Chairman Koichi Kato of the Policy Research Council, Chairman Taku Yamasaki of the Diet Affairs Committee, and former Posts and Telecommunications Minister Junichiro Koizumi. Within these camps, the key is in the hands of the YKK trio, which has the support of younger party members and has been strengthening its leadership.

Kono and Mori held talks with the YKK trio in February, and Obuchi also met with the trio in April. Regardless of the reasons given for these talks, it is certain that Kono and Obuchi wanted to maneuver for a majority in the post-Murayama era. It is said that Hashimoto frequently contacted the YKK trio during his U.S. visit for the bilateral talks on the auto and auto parts issue.

The paradigm of the Hosokawa administration was "anti-LDP versus pro-LDP," while that of the Murayama administration is "anti-Ozawa versus pro-Ozawa." If we are to look for a key concept for the selection of a leader in the post-Murayama era, it will be "former Keisei-Kai versus anti-former Keisei-Kai."

However, the leadership of the former LDP factions has been weakened, unlike the era when the LDP monopolized the political leadership. Moreover, the formation of a "conservative-conservative alliance" may mean two different things: one is reuniting the former Keisei-Kai and the other is generational change. These factors are further intertwined complexly with other issues, such as generational conflict.

Murayama's aides say that "the fate of the Murayama administration will depend on the result of the LDP's intraparty power struggle." However, it seems that the dispute within the LDP cannot be settled easily.

### Hashimoto's Prospects for Leadership Viewed

*OW0806130895 Tokyo SHUKAN DAIYAMONDO in Japanese 3 Jun 95 pp 12-14*

[Article by political commentator Toichi Suzuki: "The Rise of the New Frontier Party's Funada Accelerates the Trend Toward a 'Conservative-conservative' Coalition Government: Ryutaro Hashimoto as Prime Minister is Being Eagerly Awaited"]

[FBIS Translated Text] **Ozawa is Wary of Funada's Moves**

The Murayama administration, whose term of office was originally expected to be "one year," has been serving nearly that long. And it is presumed with the utmost certainty that the Social Democratic Party of Japan [SDPJ] will be decidedly defeated in the upcoming the House of Councilors' election. Amid all this, moves for a "ho-ho union" [conservative-conservative union] as an undercurrent have suddenly become active.

First of all, Secretary General Ichiro Ozawa of the New Frontier Party said at a news conference when he visited the Middle East during the Golden Week: "The political framework will have been changed by the next general elections."

It was understood that Ozawa hinted at a conservative-conservative union and that he expressed his wish that the New Frontier Party would return to power before the general elections.

Subsequently, Hajime Funada, Seiichi Ota, and Taku Yamamoto of the New Frontier Party met with Taku Yamasaki, Junichiro Koizumi, and Kosuke Ito of the Liberal Democratic Party [LDP] on the evening of 8 May. Funada, Yamamoto, Shigeru Ishiba, and others had formed a "group to consider the qualities of a prime minister" with 58 younger and medium-standing dietmen of the New Frontier Party. This group was formed when they witnessed Prime Minister Murayama's poor handling of the situation following the great Hanshin earthquake.

Before Golden Week, Hajime Funada said, "I personally think that unless a prime minister is directly elected by plebiscite, a good leader cannot be born." Junichiro Koizumi jumped at this remark and said, "Election of a prime minister through a plebiscite is often discussed among YKK [Taku Yamasaki, Koichi Kato, and Junichiro Koizumi]. We are of your opinion. Let us study together." So Koizumi approached Funada in this way and subsequently the group was formed. Funada became very critical of Ozawa. Funada wrote a critical article titled "Ozawa's Locked Room Politics" in GEKKAN GENDAI. It is rumored that Ozawa had the article sent to him by facsimile in the Middle East to study it.

The main topic discussed at the group's meeting was not "election of a prime minister by plebiscite" which requires an amendment to the Constitution, but a more urgent undertaking, the "conservative- conservative union."

Koizumi insisted: "Some LDP members insist on breaking off with the SDPJ and clamor for a conservative-conservative union. Some of the New Frontier Party members also raise their voices for the union. However, if the LDP's Keizo Obuchi and the New Frontier Party's Ichiro Ozawa meet together and promote a conservative-conservative union, that is tantamount to attempting the rebirth of the Keiseikai [former LDP faction]. We cannot approve that."

This means that there are two types of conservative-conservative union: a "union of the older generation" and a "union of the younger generation." The rebirth of the former Keiseikai means "setting back the hands of time."

It is said that Hajime Funada said to Koizumi, "You are right. We should not tolerate that."

The following day, 9 May, Seiichi Ota, who had been present at the group's meeting, left the New Frontier Party, saying: "I have already declared that I will leave the New Frontier Party before the upcoming general elections and that I will stand for election as an independent. If I, who have made such a declaration, work with Funada and the others, his moves themselves will be regarded as ones aimed at leaving the New Frontier Party. This is against my will, so I am going to leave the New Frontier Party." This was a reasonable explanation and becoming for a man like Ota.

On 10 May, Ichiro Ozawa called together his aides, such as Michihiko Kano, Toshihiro Nikai, Kenji Yamaoka, and Sadao Hirano and said to them, "We must wreck a conservative-conservative union formed with Funada and YKK as the axes."

Accordingly, they decided to form a group similar to Funada's, or rather, a group exactly like Funada's and made preparations for it. This is a "group to consider the responsibilities of Japan's politicians in times of emergency" [group for responsible government]. They called on the whole of New Frontier Party membership to join the group.

On 19 May, an opening ceremony of the group was held at the Constitutional Government Memorial Hall; Toshihiro Nikai became manager and Kenji Yamaoka took charge of the executive office. Keiwa Okuda, Kazuo Aichi, Koichiro Aino, and others who are considered to be anti-mainstream members within the New Frontier Party, joined the group.

Okuda said to Taku Yamamoto: "Since the 'group for responsible government' has been established for that avowed purpose, I see no reason why I should not join. However, there is no substance in the group. I am giving support to Funada. What he says is right."

Shigeru Ishiba voiced opposition to the "group for responsible government": "Members of the 'group for responsible government', looking at a membership list of the 'group to consider the qualities of a prime minister,' are asking each other 'who is going to persuade or crush this man.' This is the same technique that was used in the election for party head when Kaifu and Hata ran for the position. Funada and I are convinced that such a technique will never win the sympathy of the public."

**Ozawa Associates Make Approaches to Hashimoto**

Although the same type of group has been established, Funada's group is in high spirits. Taku Yamamoto said: "Funada is strong-willed. His criticisms of the executive organ of the New Frontier Party bred various reactions, which did not jolt him. Funada will be the only leader in the New Frontier Party in the future. The formation of a conservative-conservative union under the leadership of Ichiro Ozawa is impossible. The formation of a conservative- conservative union is possible only under the leadership of Hajime Funada."

Even after such trouble, it is said that the membership of Funada's group increased by ten, reaching "69." A leadership struggle between Ozawa and Funada has come to the surface in preparation for the upcoming formation of a conservative-conservative union.

What is the LDP's reaction to such a move? At the leaders' liaison conference held on 16 May, Finance Committee Chairman Shunpei Tsukahara made a comment. The conference was held immediately after the meeting between Funada's group and YKK. Diet Affairs Committee Chairman Taku Yamasaki was sitting next to Tsukahara. Tsukahara said: "I was the LDP's accountant general one year ago. We had a very hard time collecting donations when we were out of power. Now the situation has changed, and the New Frontier Party is in opposition. The LDP is also in a fix, but there is a great difference between a party in power and a party out of power. Now the New Frontier Party is in deep distress. Some people in the executive organ of our party are trying to do something by giving the New Frontier Party a helping hand. We are going to have an election soon. Let the New Frontier Party starve further. We should not help it hastily."

There was no refutation from Yamasaki. This comment of Tsukahara's was to restrain a hasty conservative-conservative union and gained a kind of favorable response from the leaders.

On the following day, 17 May, a joint study meeting was held at the Members' Office Building, in which ten members from Funada's group, including Funada, and the LDP's ten members, including Koizumi and Taku Yamasaki, participated. The meeting was conspicuous by the attendance of former Komeito [Clean Government Party] members, including Akihiro Ota and others. Former Komeito members Koshiro Ishida, Yuichi Ichikawa, and others said: "We should receive the baptism of the public under the new electoral system. It is improper to form a conservative-conservative administration without it."

The former Komeito members are wary of a conservative-conservative union being formed by discarding them. The attendance of Akihiro Ota and others at the open and public meeting of the New Frontier Party and the LDP was regarded as a new move within Komeito.

Now, in addition to a conservative-conservative union attempted by members of medium standing as well as younger members, a conservative-conservative union is being sought after through various channels. One of them is an Obuchi-Ozawa channel.

Obuchi says: "I and Ozawa formed a friendship by serving as chief cabinet secretary and deputy chief cabinet secretary, respectively. Since that time, I have been talking with Ozawa about the means to make a political system with strong leadership. There are three means available: the first method is to form a great coalition; the second method is to let two great political parties fight in a small electoral district, one of them winning an overwhelming majority; the third method is election of a prime minister by plebiscite. When I met Ozawa in the Diet the other day, I told him that due to the presence of these root causes, our side is a three-party coalition and his side is a mixture of seven parties, and that something must be done about it."

Another channel is an approach made by the New Frontier Party to International Trade and Industry Minister Ruytaro Hashimoto, who "enjoys popularity and has real capability." Obuchi testifies: "A member from the New Frontier Party told Hashimoto that it is going to designate him in the election for prime minister. According to Hashimoto, the member was Ozawa's messenger and he seemed to be a member of medium standing, not a leader."

This indicates unquestionably that the New Frontier Party's strategy is to scramble for political power by designating Hashimoto. However, in the LDP there is a deep-rooted repulsion toward a conservative-conservative union to be established through the discussion between Obuchi and Ozawa, or between Hashimoto and Ozawa.

General Council Chairman Kabun Muto said: "Even if a conservative-conservative union is realized, it must be without Ozawa. Discussions aimed at a merger after general elections are going on among members of medium standing and younger members of the LDP and the New Frontier Party. The merger is possible only when the New Frontier Party splits as a result of the exclusion of Ozawa from the merger."

Muto is thinking of a conservative-conservative coalition administration through a merger with a new party headed by Funada after the split of the New Frontier Party.

Taku Yamasaki has the same idea and gave the following outlook: "This year there will be an announcement of resignation by Prime Minister Murayama after the House of Councilors' election. In that case, a great turmoil will last for two or three weeks. This is a revival of the 40-day struggle for the premiership in the past."

### YKK Is Undecided About the Next Prime Minister

In the midst of a growing trend toward a conservative-conservative union, voices calling for "Hashimoto as prime minister" are being raised greatly in both the LDP and the New Frontier Party. Funada, Shokei Arai, Taku Yamamoto, and others in the "group to consider the qualities of a prime minister" discussed "who is fit to be Japan's prime minister after Murayama, if he is to be designated from among the members of the LDP and the New Frontier Party?"

For example, Atsuyuki Sassa, a guest of Funada's group [former chief of the Cabinet Security Affairs Office ] sized up Toshiki Kaifu, head of the New Frontier Party: "Murayama's manner of dealing with the great Hanshin earthquake was terrible. He is quite unfit for prime minister. However, Prime Minister Kaifu was more terrible at the time of the Gulf war."

Thus they discussed the qualities of Kaifu, Ozawa, Hata, and Hosokawa of the New Frontier Party, as well as Kono, Mori, Michio Watanabe, Hiroshi Mitsuzuka, and Ryutaro Hashimoto of the LDP. Their conclusion was: "Japan has been confronted with a series of difficulties, such as the great earthquake, the sarin case, and the appreciation of the yen. The ability to deal with crises and the ability to formulate policies are required at the same time. If the unfit candidates are eliminated according to these criteria, only Ryutaro Hashimoto remains."

Thus a great coalition is being contemplated with International Trade and Industry Minister Hashimoto as prime minister. Taku Yamamoto says: "It is necessary to destroy the present political framework. Political realignment must be further promoted. Both the New Frontier Party and the LDP must be destroyed. Of the two political parties, only those who have voted for Hashimoto should form a new administration. That is what political power is all about."

Evidently, Yamamoto is thinking of splitting the two parties with Hajime Funada as the central figure.

Seiicho Ota, who has become an independent, is still a counselor of the "group to consider the qualities of a prime minister," and he is close to Hashimoto. Ota says, "I called on Hashimoto at his house in Azabu twice to ask him to become prime minister." Ota looks at the situation in the following way: "Hashimoto is wary of being regarded as a tool of the rebirth of Keiseikai — a prime minister."

Such an atmosphere of the "group to consider the qualities of a prime minister" naturally affected YKK. On 22 May, Junichiro Koizumi said in his lecture at the Japan National Press Club: "YKK is undecided about the next prime minister." For some time, Koizumi had declared openly, "Why is it necessary to replace a current president who has no defects? It is natural that Kono should be reelected." This is a great change. Koizumi ostensibly explained the change: "The reason that we are undecided about the next prime minister is that we do not know about the combination of political parties until after the House of Councilors' election."

However, Koizumi confided to a reporter who is close to him: "Almost no one in the LDP recommends Kono as prime minister. There is a possibility of our becoming the only supporters of Kono. Therefore, as Yamasaki says, we have decided to become neutrals."

Koizumi is poised to aim at the leadership in developments of the political situation. And he murmured, "Hashimoto will be the one."

Former Transport Minister Nobuaki Futami of the former Komeito said with the preamble that "this is entirely my own personal view": "I think I will vote for Hashimoto in the next nomination for prime minister. It is better for the New Frontier Party not to seek fame, but to obtain substance from the LDP. Like Kono's LDP, which chose Prime Minister Murayama a year ago, the New Frontier Party should uphold a person in the LDP who is qualified as a possible prime minister. A government by the New Frontier Party and a splinter party of the LDP is possible and interesting. However, if the LDP supports Hashimoto as a whole, the New Frontier Party, conversely, will be raided by the LDP."

Futami talked to International Trade and Industry Minister Hashimoto in the corridor of the Diet: "The Japanese economy is in a grave situation, but, of all the Cabinet ministers, you are the only person who knows how to cope with the situation. Murayama, Takemura, and Kono are all no good. You are our only hope." Afterward Mutami confided: "I am not just giving Hashimoto a nod, this is my honest wish."

The political situation is now developing in the following manner: "If the LDP-SDPJ-Sakigake [Harbinger] administration is maintained firmly, Kono will come after Murayama. If a conservative-conservative administration is established, Hashimoto will be its head."

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## Aum Cult Said To Include SDF, Police, Media

*952B0173A Tokyo SANDE MAINICHI in Japanese 7-14 May 95 pp 30-33*

[Article by a SANDE MAINICHI team of reporters: "Police Vs. Aum, Deep Secret: Shocking Members Concealed in Data on 8,000 Believers"]

[FBIS Translated Text] **This Is a Real "Fighting Unit"!**

The offense and defense between the police and Aum Shinrikyo is filled with a choking sense of tension as Golden Week comes to a climax. While Justice Minister Isao Maeda made reference to a "decoy criminal investigation" and "wire-tapping" which are forbidden under current law, cult leader Shoko Asahara fired off the ominous "prophecy" that "a big disaster probably will befall Japan" in his book that went on sale on 25 April. What developments will be revealed in the future? The existence of a real "fighting unit," which had not come to light even with the arrest of officers one after the other, stands out in the name list of 8,000 believers which we have obtained—special team of reporters from this magazine.

There was a figure of a man in jacket and slacks that would be unusual anywhere. He proceeded walking straight ahead without a sideways glance. He did not break his pace.

When he at last found his way to a certain place, he underwent a complete change in behavior. He walked about restlessly and began trying to spy on something.

The place was a Self-Defense Forces (SDF) camp in the northern part of Tokyo Prefecture. The man loitered by the fence and gazed at the front gate from a distance, or drawing near, peeked over the fence at the barracks inside. It was early afternoon on 6 April.

Plainclothes security policemen in charge of guarding could not have missed him. They approached him quickly from the front and rear.

"What are you doing?"

Then, the man gave the policeman a harsh shove and tried to escape, but in a twinkling his arm was twisted and he was arrested for being caught in the act of obstructing the execution of official duties.

From his personal effects, it was learned that the fellow was suspected of being Shinichi Koshigawa (30), the Aum Shinrikyo "minister of commerce." He is one of the only some 10 true enlightened masters within the cult and is considered to be a person deeply involved mainly in "secret work" such as intelligence activities.

"Why was he, a cult officer, loitering close to the camp? When we talked about that, sweat began running down his back."

The Japan Defense Agency (JDA)-related person saying this continued, "Actually, there are some chemicals that were confiscated at Kamikuishiki village in Yamanashi that are stored at the camp. They are being taken care of at the request of the National Police Agency, and of course, are top secret. Plainclothes security police were guarding it, but where did they find out about it? I can only think that there was an information leak inside the SDF."

Regardless of the arrest of the officer, this fact was not even initially announced. That undoubtedly was because inside information had been leaked and the complete shock to authorities was great.

### Dangerous If They Don't Grasp Former SDF Officials

Actually, security authorities already had noticed at this time the "contact" between Aum and JDA. It goes back about 10 months....

It was in June last year when a Ground Self-Defense Force (GSDF) captain (32) with expertise in medical matters was asked about treatment for poison gas by someone junior to him in the university from which he came. The GSDF captain was easy to access and taught him about treatment drugs and methods.

However, he later ascertained that this junior to him was a believer in Aum Shinrikyo and a doctor at the doctors' office attached to the cult. Directly after that, the Matsumoto sarin incident occurred. At this time, the thought began running among the very few officers of JDA who knew about the poison gas dealing with the captain that it was "impossible!"

"An SDF official" and "Aum." There had been just "concern" without there being the ability to narrow it down on that one more complication, but by the "Koshigawa arrest," it changed to "proof."

The suspect Koshigawa did not confess the core portion, but investigation authorities obtained a "name list" that clearly supported that relationship directly after the nationwide raid on 22 March.

It was saved on an optical disk that was discovered in the passenger car of an Aum Shinrikyo believer that was confiscated in Hikone city, Shiga Prefecture.

This magazine obtained a portion of it that was brought out and the names of cult officers, general believers, and the holy names for 8,000 people were recorded on it. It is in the manner of, for example,

"Hideo Murai, Seidaishi Manjushuri Mitora."

"K.T. (actual name in original text), Aishi Aruppa Nekkanma, person liberated from chaos."

"M.T., Shiho Virya Joti Pariyesana, woman who is abstaining and seeking the light."

The investigation authorities checked each of these diligently and added analysis. A person concerned with the investigation says, "The content of the optical disk basically is just a list of these names. Being for 8,000 people, however, it contains the majority of the Aum Shinrikyo cult believers said to number 10,000 people. If these names are elucidated, light will be shed on the actual state of the organization for the most part. Of course, since the names themselves are important information, we have grasped the identity of each one and are right in the process of confirming their movements."

The name lists are made for each ministry or agency such as "Science and Technology Ministry," but there were names of a group of current or former self-defense officials in it that cut across the various ministries and agencies.

There are approximately 20 people...

A JDA-related person also regards it as "This very group undoubtedly is a 'fighting unit that had not been revealed before now.'"

So far it appears that "construction minister" suspect Kiyohide Hayakawa (45) was at the top, and the various suspects "Defense Agency Director General" Tetsuya Kibe (39), "Home Affairs Minister" Tomomitsu Niimi (31), and Kiyohide Nakata (47), an officer in the "Construction Ministry" and chief of a former Yamaguchi-Gang-affiliated gangster group, were the center of a "surreptitious unit" of Aum Shinrikyo, and they were in charge of "surreptitious work" such as kidnapping and imprisonment.

Even though they were arrested one after the other, however, no light was shed on the innermost "dark secrets" and cult founder Asahara has put out a book entitled "The Sorrow of the Doomed Nation of Japan" still without showing himself, and has released the following message.

"If you oppress a prophet, a national disaster will befall you. A great disaster will befall Japan."

Attorney Taro Takimoto of a victim lawyer's group who is familiar with inside information on Aum, says "I do not grasp the whole picture, but there probably are a number of former self-defense official believers who are involved in secret work. It is dangerous if we do not grasp the movements of these people," and he emphasized caution about "the next developments."

Somehow, it seems no mistake that there is a "fighting unit" centered on "self-defense officials" and acting in strict secrecy.

### Three Brothers Who Are Former Self-Defense Officials Are Special Bodyguards

First, listen to the

## North Korea

### Commentary: U.S. Responsible for LWR Provision

*SK0806132695 Pyongyang Korean Central Broadcasting Network in Korean 1225 GMT 8 Jun 95*

[NODONG SINMUN 8 June commentary: "Our Demand Stands to Reason"]

[FBIS Translated Text] At the DPRK-U.S. talks held in the Malaysian capital, important discussions were held on the matter concerning the type of light-water reactors [LWRs] and the matter on the scope of provision connected with supply of the LWRs.

The scope of provision connected with the supply of the LWRs includes matters regarding the overall range of the project, such as a complete set of LWR power plants, the adjustment of construction sites, and the building of the infrastructure. Our assertion is that the United States should be wholly responsible for fulfilling these matters. This is an entirely justifiable demand.

As is well known, in the DPRK-U.S. agreed framework, the DPRK and the United States agreed to replace our graphite moderated reactors and their related facilities with LWR power plants. In other words, the United States is supposed to take the responsibility for providing us with a complete set of LWR power plants in exchange for our freezing the graphite-moderated reactors and their related facilities.

We have already frozen the graphite-moderated reactors. As for the graphite-moderated reactors, we built everything for them, including the adjustment of the construction site and the building of the infrastructure, with our own funds, and they were producing electric power.

Under the condition in which the United States is supposed to provide us with a complete set of LWR power plants in exchange for our freezing the graphite-moderated reactors, it is self-evident that the United States should be responsible to fulfill everything necessary for it. We do not feel the need to invest in what the United States should do.

The provision of LWRs is a product of the special political compromise between the DPRK and the United States. The DPRK-U.S. agreement was adopted not for some commercial purpose but out of a political position to fundamentally solve the nuclear problem on the Korean peninsula and improve DPRK-U.S. relations. What was agreed on based on this position is the provision of light-water reactors.

The provision of light-water reactors is a central issue in the DPRK-U.S. framework agreement. Therefore, it is an issue showing a political willingness regarding whether to seek a fundamental solution to the nuclear problem on the Korean peninsula or not. If general norms and usage of commercial transactions are applied in dealing with the problem of a political nature, it cannot be solved any time.

We and the U.S. are on hostile terms. Therefore, the DPRK-U.S. framework agreement presupposes its implementation should be based on verification, not on trust. Judging from the attitude and stand taken by the U.S. side at present, nobody knows whether the issue of supplying light-water reactors will be resolved and, if resolved, when it will be done.

It is clear to anyone that we cannot first invest in this kind of project, risking damage.

If the U.S. side is trying to oblige us to make an initial investment as the buyer in connection with the range of the provision of light-water reactors, it will only complicate the solution of matters.

As we have already declared, we will not invest a penny until the building of light-water reactors is completed through the initial stage, including the adjustment of the construction sites, and all the conditions necessary for their operation are provided. This is the legitimate right of the DPRK.

The U.S. side, as a signatory to the DPRK-U.S. framework agreement, should assume responsibility for the provision of a complete set of light-water reactors and all other things necessary for their operation.

### ROK Said Planning 'Commanding Post Exercise'

*SK0906102895 Pyongyang KCNA in English 1011 GMT 9 Jun 95*

["S. Korea Plans 'CP Exercise'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 9 (KCNA) — The South Korean authorities announced that a "commanding post [CP] exercise" of the Joint Chiefs of Staff of the puppet army would be staged over June 19-24, according to a media report.

The exercise, as large as the manoeuvres Ulchi Focus Lens which had been staged with the U.S. imperialists, will reportedly involve all fronts.

Such ceaseless military exercises staged by the Kim Yong-sam puppet clique against the North prove that they are the very one who threatens the peace of the Korean peninsula and leads the situation to the brink of war.

### ROK Raid on Unionists Termed 'Fascist Outrage'

*SK0906104495 Pyongyang KCNA in English 1037 GMT 9 Jun 95*

["Papers Denounce Raid on Myongdong Cathedral" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 9 (KCNA) — Papers here today denounce the Kim Yong-sam group's raid on the Myongdong Cathedral as a rude fascist outrage.

The South Korean puppets sent police force to the Myongdong Cathedral and Chogye Temple in Seoul on June 6 to arrest 13 leading members of the trade union of the telecommunication co. who were on a sit-in strike.

NODONG SINMUN in a signed commentary says that the Kim Yong-sam's raid on the religious cathedral and temple, sacred and inviolable, shows that they are rude political gangsters and villainous tyrants.

The commentary goes on:

The Kim Yong-sam group's harsh suppression of the labour movement with the brutal crackdown upon the trade union of the telecommunication co. of South Korea as an occasion clearly proves that it is the last-ditch effort of the doomed and that the traitor Kim Yong-sam is destined to doom.

The traitor Kim Yong-sam is trying to tide over the ruling crisis and ensure "stability of power" in the latter half of his office by leading the political situation of South Korea to a sharp phase with the harsh suppression of the labour movement.

The strong-arm rule will not last long.

The Kim Yong-sam group should stop the brutal suppression of the labour movement at once, meet the just demand of the workers and release the arrested leading unionists without delay.

A commentary of MINJU CHOSON says trespass on the cathedral shows it is the last-ditch effort of the Kim Yong-sam group standing in the presence of death.

### Union Federation Denounces Kim Yong-sam

*SK0906054095 Pyongyang KCNA in English 0440 GMT 9 Jun 95*

["Kim Yong-sam Clique's Suppression of Labor Movement Under Fire" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 9 (KCNA) — The Central Committee of the General Federation of Trade Unions of Korea released a statement on June 8 denouncing the Kim Yong-sam group for mobilizing police force to arrest leading unionists of the Telecommunication Co. on a strike at the Myongdong Cathedral and Chogye Temple in Seoul on June 6.

The statement brands the Kim Yong-sam fascist clique's truculent suppression of the labor movement as an unpardonable crime to trample down the elementary vital rights of South Korean workers and stamp out the labor movement itself and a high-handed outrage of the "civilian-veiled" fascist group against the demand of the South Korean people for independence, democracy and reunification.

The statement continues:

It is entirely righteous for the South Korean workers to demand improvement of their livelihood and freedom of trade union activity. It cannot be an object of suppression in any case. The bestial act of the Kim Yong-sam group is not a behavior of the strong but a rash act of the weak.

We consider that the traitor Kim Yong-sam is doomed to failure by hurling repressive Armed Forces even into religious facilities.

The June 6 when the Kim Yong-sam group intruded into the religious cathedral and temple will be recorded as "day of its death" and "day of its ruin".

The Kim Yong-sam traitorous clique must immediately stop suppressing the workers of many companies including the Telecommunication Co. and people and unconditionally release all the arrested workers and trade unionists.

We will always extend active support and encouragement to the South Korean workers fighting for vital right and for independence, democracy and reunification.

Availing ourselves of this opportunity, we ardently appeal to the entire people of South Korea to stand firm on the side of the fighting workers, actively support and encourage their just struggle and wage a powerful joint struggle with them.

At the same time, we express the hope that the international labor bodies and labor movement organisations of all countries will manifest firm solidarity with the South Korean workers and lift loud voices condemning the South Korean rulers' suppression of the labor movement.

### Reunification Group Decries ROK 'Suppression'

*SK0906055695 Pyongyang KCNA in English 0423 GMT 9 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 9 (KCNA) — The secretariat of the Committee for the Peaceful Reunification of the Fatherland Thursday published information No. 687 denouncing the Kim Yong-sam group for its brutal suppression of a struggle of workers to realise their demand for independence and obtain the right to existence.

The information says that panicked by the struggle of the labour unions of the Hyundai Motor Company, the Hyundai Heavy Industries Co., Ltd., the Ssangyong Motor Company, the Kia Motor Company, the Seoul Metropolitan Subway Corp. and many other companies, the Kim Yong-sam group called out police forces to arrest 13 hard-core members of the Telecommunication Company Labour Union, who were staging a sit-in strike at Chogye Temple of Buddhism and Myongdong Cathedral of Roman Catholicism.

Such a frantic suppression is designed to do away with those who play the role of vanguard in labour movement and dampen the workers' spirit of anti-"government" struggle which is gaining momentum as the days go by and get over the crisis facing the "civilian" fascist dictatorial "regime" which is driven to the corner with the "local autonomy elections" at hand, the information says, and goes on:

No matter how the Kim Yong-sam group is getting frenzied in suppressing the workers, it can not block their struggle for realising their demand for independence and obtaining the right to existence.

The Kim Yong-sam group should stop its fascist suppression of the workers of the Telecommunication Company and many other companies and set free the illegally arrested hard-core labour unionists right off.

### N-S Provincial Student Statement on Security Law

*SK0906053095 Pyongyang KCNA in English 0429 GMT 9 Jun 95*

["Youth and Students in North and South of Korea Vow To Get 'National Security Law' Scrapped" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 9 (KCNA) — The Kangwon provincial student committee under the North side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) and the South Korean Kangwon Regional Federation of the General Student Councils of Universities and Colleges under the South side headquarters of Pomchonghangnyon published a joint declaration as regards the June 3 meeting of youth and students in the North, the South and overseas for national reunification and against revival of Japanese militarism.

The joint declaration of students in North and South Korean Kangwon Provinces for the abolition of the "National Security Law" says efforts to make 1995 a year of reunification began with a struggle for the abolition of the "National Security Law", and that the evil law has been used for the suppression of public figures and many other innocent people who work for reunification and the popular masses.

The joint struggle of students in North and South Korean Kangwon Provinces will lead to the abolition of the anti-reunification "National Security Law", the document says, and continues:

The students in North and South Korean Kangwon Provinces declare to the 70 million fellow countrymen and all the masses of the world that they will devote their all to the struggle until the day when the country has been reunified and realise the abolition of the "National Security Law," which is the key issue in the struggle to build a reunified country in 1995.

— Abolish the "National Security Law" aimed at permanent division of the country.

— Scrap the "National Security Law" which is being used for the suppression of South Korean people in struggle for the right to existence, and for the stability of "power".

— The students in North and South Korean Kangwon Provinces together with all forces and the 70 million fellow countrymen desirous of the independent and peaceful reunification of the country will win without fail in the struggle for the abolition of the "National Security Law" used for permanent division and the stability of South Korean "Government."

### N-S Provincial Student Group Joint Resolution

*SK0906061095 Pyongyang KCNA in English
0451 GMT 9 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 9 (KCNA) — The North Hamgyong provincial student committee and the Pusan-South Kyongsang Provincial Federation of General Student Councils published a joint resolution on June 3 after a grand forum on the common way of reunification within the framework of the June 3 meeting of Korean youth and students in the North, the South and overseas for national reunification and against revival of Japanese militarism.

The two provincial student organisations are under the influence of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon).

The joint resolution said the two provincial student organisations held a forum on the role of youth and students in the struggle for national reunification in 1995 and on the mass agreement on Pomchonghangnyon-proposed way of reunification and its dissemination.

The resolution continued:

We will have all youth and students in the North, the South and overseas accept the Pomchonghangnyon-proposed way of reunification and will positively contribute to finding the nation's common way of reunification.

The North Hamgyong Provincial Student Committee and the Pusan-South Kyongsang Provincial Federation of General Student Councils will work out an action program and make strenuous efforts to have all youth and students accept the way of reunification agreed upon at the 1993 meeting of co-chairmen of Pomchonghangnyon and to realise mass agreement on the way of reunification till the nation's common way is found out on the three principles of national reunification.

We will jointly counter, from the position of national independence, outside forces trying to block national reunification and will fight to overthrow the flunkeyist and traitorous "government" of Kim Yong-sam standing in the way of national reunification.

We will activate non-governmental exchange and the work of Pomchonghangnyon and strive to realise joint celebration of the 50th anniversary of national liberation by all Koreans in the North, the South and overseas and realise nationwide agreement on the way of reunification.

### Youth, Students Meet on National Reunification

*SK0806231095 Pyongyang KCNA in English
1514 GMT 8 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 8 (KCNA) — A June 3 meeting of Korean youth and students in the North, the South and overseas for national reunification and against revival of Japanese militarism took place over June 2-3 under the sponsorship of the North side, South side and overseas headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon).

A grand reunification forum under the subject "Turning Point in History of the Nation! National Reunification and Role of Youth and Students" took place at Korea University in Seoul on June 2 within the framework of the meeting, which was attended by more than 35,000 students, defying harsh suppression on the part of the fascist clique.

Chong Tae-hung, chairman of the South side headquarters of Pomchonghangnyon, made an address of solidarity at the forum. Then a message of greetings from Pomchonghangnyon North side headquarters to the Korean youth and students in the South and overseas and a message of solidarity from Pomchonghangnyon overseas headquarters to the youth and students in the South and North of Korea were read.

Papers from the North, South and overseas headquarters on the subject "Turning Point in History of the Nation, Let Us Make This a Year of Reunification" were read at the forum.

The papers say without a struggle against partitionist forces the desire of the nation for a nationwide festival slated for August 15 cannot be realised, nor can a new phase of national reunification be opened up, adding that the two million youth and students should take the lead in the struggle as first generation of reunification.

And delegates from across South Korea took the floor as regards the holding of the August 15 nationwide function and tasks facing the reunification movement for 1995.

Papers of the North, South and overseas headquarters under the respective subjects "Tasks of Youth and Students To Get New Peace Mechanism Set Up Between the DPRK and the U.S. and Guarantee Durable Peace and Security on the Korean Peninsula," "Abolition of 'National Security Law' and Repatriation of Unconverted Long-Term Prisoners, the First Cornerstone for the Removal of Legal and Institutional Barriers to National Reunification and National Reconciliation and Unity" and "On the Way of Achieving Reunification in the 90s" were read and discussions were held on them.

The forum heard "Joint Agreement of Grand Reunification Forum".

The agreement calls upon the two million youth and students to take the lead in the struggle for achieving national reconciliation and great unity, opening up an epoch-making phase of national reunification, getting the "National Security Law" scrapped, a law which is going against the times of reunification, and realising the repatriation of unconverted long-term prisoners without fail.

The document also calls for pooling the will of the 70 million fellow countrymen so that they may get a peace agreement concluded without fail, an agreement that aims at easing tensions on the Korean peninsula and setting up a new peace mechanism, and establish a reunified state, independent, peaceful and neutral, basing themselves on patriotism and the spirit of national independence and acknowledging the differences between them.

It calls for dedicating youthful spirit and passion to make a success of the joint function of the nation which is scheduled to be held to celebrate the 50th anniversary of national liberation for making the year a year of reunification.

At the end of the forum a function "Celebration of the South and the North" was held.

A meeting to vow to reunify the country and other functions took place under the auspices of the South side headquarters of Pomchonghangnyon in Seoul.

"A Joint Declaration of Korean Youth and Students in the North, the South and Overseas To Accelerate the Independent and Peaceful Reunification of the Country Through Reconciliation and Great Unity of the Entire Nation" was read at the meeting.

The declaration calls upon the 70 million fellow countrymen to join in the joint function of the nation to celebrate the 50th anniversary of national liberation, and expresses the resolution to achieve national reconciliation and great unity and get the "National Security Law" scrapped, a law that is an obstacle to them.

The declaration also expresses the determination to make efforts for the conclusion of a peace agreement, for the definition of the way of national reunification which mirrors the will of the 70 million fellow countrymen to build a reunified state, independent, peaceful and neutral, and for the earliest reunification of the country.

In a related development, a June 3 Tokyo meeting of Korean youth and students in the South, the North and overseas for national reunification was held in Japan on June 3.

The meeting heard "A Joint Agreement of Grand Reunification Forum" and "A Joint Declaration of Korean Youth and Students in the North, the South and Overseas To Accelerate the Independent and Peaceful Reunification of the Country Through the Reconciliation and Great Unity of the Entire Nation."

"A Statement of the Overseas Headquarters of Pomchonghangnyon Bitterly Denouncing the South Korean Authorities for Their Anti-Reunification Act of Barring the Reunion of the Youth and Students in the South, the North and Overseas" was published at the meeting.

### Paper on Need To Democratize 'World Community'

*SK0906105495 Pyongyang KCNA in English*
*1043 GMT 9 Jun 95*

["World Community Must Be Democratized" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 9 (KCNA) — If an independent new world is to be built as desired by mankind, the world community must be democratized so that all countries and nations may exercise their right to independence on an equal footing in the international arena, stresses NODONG SINMUN today.

The author of the article says:

Democratization of the world community is a common task facing all countries and nations.

The most important thing for democratization of the world community is that they all maintain independence.

They must maintain independence and resolutely reject interference from outside. They must not violate but respect others' independence. Especially in external relations, they must not dance to the tune of others or blindly follow what others do, but they must faithfully observe the principles of mutual respect, non-interference in others' internal affairs, equality and mutual benefit and actively develop friendship and cooperation among countries and nations on the basis of independence.

For democratization of the world community, it is also important to strictly observe the principles of impartiality and equality in international relations.

All countries and nations must not violate but value international justice in international relations and strictly and faithfully observe the principles of impartiality and equality. Especially, they must not allow "double-standard" of some specific countries. They must not tolerate the demand for privileged position but fight against such things as violate the principles of impartiality and equality and hinder democratization of the world community.

Democratization of the United Nations is an immediate, urgent issue for democratization of the world community.

In the United Nations, a handful of big powers exercise privileged rights and behave arbitrarily in violation of the UN Charter.

If this abnormal situation continues in the United Nations, it is impossible to democratize the world community.

For democratization of the world community, all countries and nations interested in it must raise a unanimous demand and take joint action.

When the progressive forces of the world unite and fight vigorously, the world community will be democratized without fail.

### Party Group Leaves for Greece; Visitors Arrive

*SK0806231295 Pyongyang KCNA in English*
*1515 GMT 8 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 8 (KCNA) — A delegation of the Workers' Party of Korea [WPK] headed by Yim Sun-pil, a vice department director of the C.C. [Central Committee], WPK, left here today to attend an international meeting of progressive political parties in the world to be held in Greece.

A home-visiting group of Korean students in Japan and the 237th short-term home-visiting group of Koreans in Japan arrived in Wonsan today to visit the socialist homeland.

### Overseas Seminars Study Works of Kim Chong-il

*SK0906105095 Pyongyang KCNA in English*
*1026 GMT 9 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 9 (KCNA) — A seminar on "On Developing the Movement of Koreans in Japan Onto a New Higher Stage," a letter sent by the great leader Comrade Kim Chong-il to the General Association of Korean Residents in Japan (Chongnyon) and Korean residents in Japan on the 40th anniversary of Chongnyon, was held in New Delhi on May 30 under the sponsorship of the Asian Regional Institute of Chuche Idea (ARIJI).

In his speech Govind Narain Srivastava [spelling of name as received], secretary general of the ARIJI, said Chongnyon, which takes the chuche idea as its guiding idea and represents the national rights and interests of Koreans in Japan, is a dignified organization of overseas citizens of the Democratic People's Republic of Korea which was formed by the great leader President Kim Il-song and has been guided by his excellency the great leader Kim Chong-il.

The encroachment on the Japan-resident Koreans' national rights is intolerable and must be strictly banned because it means the infringement on the DPRK's sovereignty, he added.

A seminar on the letter was held in Cairo on May 31 under the sponsorship of the Arab Art, Culture and Information Association of Egypt.

A lecture on the letter was given at a company in Ulaanbaatar, Mongolia, and a reading session for it was held by the Group for the Study of Works of Comrade Kim Chong-il in East Ruimveldt Gardens, Guyana.

### Lao Party Group Gives Kim Chong-il Gift

*SK0906105895 Pyongyang KCNA in English*
*1028 GMT 9 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 9 (KCNA) — The great leader Comrade Kim Chong-il received a gift from the visiting delegation of the Lao People's Revolutionary Party.

It was handed to an official concerned by head of the delegation Thongsavath Khaykham Phithoune [spelling of name as received], member of the Central Committee and chief of cabinet of the Lao People's Revolutionary Party.

### Malaysia Youth Group Gives Kim Chong-il Gift

*SK0906105595 Pyongyang KCNA in English*
*1044 GMT 9 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 9 (KCNA) — A gift was sent to the great leader Comrade Kim Chong-il from the Youth Organization of the Malaysian People's Movement.

It was handed to an official concerned by Yim Pu-chang, chairman of the C.C. [Central Committee], the Youth Organization of the Malaysian People's Movement, on a visit to Korea.

### NDFSK Members Visit Kim Il-song Statue

*SK0906044095 Pyongyang KCNA in English*
*0418 GMT 9 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 9 (KCNA) — Chief Yi Chong-sang and members of the Pyongyang mission of the National Democratic Front of South Korea (NDFSK) Thursday visited the statue of the great leader President Kim Il-song on Mansu Hill and paid homage to him upon the lapse of eleven months since he passed away.

They laid a floral basket before the statue and made a bow, resolving to invigorate the struggle for the promotion of national reunification under the leadership of respected Supreme Commander General Kim Chong-il at the behests of President Kim Il-song.

### Foreigners Visit Kim Il-song Statue

*SK0906045395 Pyongyang KCNA in English 0434 GMT 9 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 9 (KCNA) — Foreigners and overseas Koreans, on a visit to Korea, Thursday called at the statue of the great leader President Kim Il-song on Mansu Hill on the lapse of 11 months since his death. They laid floral baskets and bouquets and made bows before his statue in profound reverence.

Thongsavath Khaykham Phithoune, member of the Central Committee and chief of cabinet of the Lao People's Revolutionary Party, said that the great leader President Kim Il-song performed great exploits for humankind and his august name, and his imperishable revolutionary exploits would be cherished in the hearts of the Lao and Korean peoples forever.

"We are very pleased to see the great leader Comrade Kim Chong-il brilliantly carrying forward the revolutionary cause of President Kim Il-song and leading the Korean revolution to victory", he said.

Syrian Ambassador to Korea Yasir Farah said that respected President Kim Il-song bestowed fatherly love upon the Korean people and foreigners and he would shine forever as the sun of humankind.

Paek Kyong-suk, president of the Tonggwang Business Company Ltd. of the General Association of Korean Residents in Japan, said that the respected leader President Kim Il-song was the great father of the nation who devoted all his life to the prosperity of the country and the happiness of the people.

Palestinian Ambassador to Korea Shahir Muhammed stressed that the great leader Comrade Kim Il-song was infinitely respected and revered by the world people and he would be immortal in the hearts of humankind.

### Seoul Station Praises Kim Il-song Philosophy

*SK0906104895 Pyongyang KCNA in English 1032 GMT 9 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 9 (KCNA) — Members of the Independent Philosophy Society met in mid-May to discuss measures for a deep study of "With the Century," reminiscences of the great leader President Kim Il-song, and decided to publish and distribute the first edition of literature "Maxims of Dawn," Seoul-based radio Voice of National Salvation quoted the Seoul Metropolitan Committee of the National Democratic Front of South Korea as saying in its information.

They agreed to serialize in the literature the main propositions of the president selected from his reminiscences and print in the first edition several propositions from the first volume of the reminiscences under the headline "Believing In the People as in Heaven, Relying on the People Leads to Invincibility — They Are the Political Philosophy of the Great Leader Kim Il-song."

The acting chief of the society, Kim Tong-hak, concluded the meeting, saying those in the renovation struggle must regard as their absolute idea and the guideline of life and struggle the truth taught by the great leader Kim Il-song, the truth that they will always emerge victorious if they believe in and rely on the people and they will always fail if they are forsaken by the people.

The participants were resolved to invigorate the movement for changing the South Korean society under the guidance of the great leader General Kim Chong-il, regarding the president's political philosophy — believing in the people as in heaven — as their faith, said the radio.

### Kim Il-song Exhibit at Revolution Museum Noted

*SK0906104295 Pyongyang KCNA in English 1022 GMT 9 Jun 95*

[FBIS Transcribed Text] Pyongyang, June 9 (KCNA) — With reverence and longing for the respected leader President Kim Il-song ever growing, an increasing number of people are visiting his statue on Mansu Hill here and the Korean Revolution Museum behind it.

After paying homage to him before his statue, people from all walks of life and foreign visitors enter the museum. They remain long in Room No. 87 of the museum.

The room houses materials showing the energetic revolutionary activities conducted by President Kim Il-song in 1994, the last year of his great life, to provide the Korean people with greater happiness.

The great leader Comrade Kim Chong-il said:

"The leader... conducted energetic activities to give our people greater happiness to the end of his life."

President Kim Il-song sagaciously solved the nation's problems, big and small, looking far ahead into the future in his last days with clairvoyance.

He clearly indicated the way to be followed by the party and people of Korea and the progressive peoples of the world by publishing such famous works as the new year address, the letter to the National Agricultural Conference "for the ultimate solution of the rural question under the banner of the socialist rural theses," the congratulatory message to the delegates to the national conference of party cell secretaries of the whole party "five tasks of party cells" and the answers to questions raised by the general director of the Latin American news agency PRENSA LATINA.

On April 25, the 62nd anniversary of the foundation of the Korean People's Army [KPA], he told KPA officers that the People's Army must hold Supreme Commander Comrade Kim Chong-il in high esteem.

He, regarding "Believing in the people as in heaven" as his lifelong motto, devoted himself to the happiness of the people without a moment's rest until he was above 80.

In the teeth of the sultry weather in June, he visited the Kumdang Cooperative Farm, Onchon County, South Pyongan Province, and then the Taesong District Cooperative Farm, Pyongyang Municipality, to indicate ways of reaping a bumper harvest.

The visitors to the museum are deeply moved by a photograph of President Kim Il-song giving highly important teachings at a consultative meeting of senior economic officials held on July 5 and 6 and the recorded speech he made at the meeting.

For hours he told the officials how to implement the party's revolutionary economic strategy, saying that when it is carried out, the country will be better off.

On July 7, he sent a message of greetings to a meeting of officials of branch offices of the General Association of Korean Residents in Japan (Chongnyon) and gave instructions that the movement of Koreans in Japan should be put on a higher stage.

In 1994, too, he always found himself among the people, showing deep loving care for them.

He had pictures taken with the participants in the National Agricultural Conference, the National Conference of Coal Miners and the Fifth Congress of the Korean Children's Union and met Yang Kwidongnyo, a daughter of an anti-Japanese revolutionary martyr Yang Song-yong whom he parted with nearly 60 years ago, and her companions, a Korean resident in the United States Son Won-tae, different delegations of Chongnyon and many other overseas compatriots.

A day before he passed away, he left letters "July 7, 1994. Kim Il-song" in a document concerning national reunification, saying a reunified country should be handed down to posterity.

He conducted energetic external activities, fully demonstrating the might of Korea, the homeland of chuche.

In June alone, he met many foreign guests on a total of 18 occasions and gave them precious teachings.

The last days of his great life were historical days reminding us of the epoch-making feats performed by respected President Kim Il-song, the great leader, great revolutionary and a great man.

This is why the foreign visitors to the museum are unanimous in saying he is an outstanding leader of the world who died at his post of duty after devotedly working for his country and people to the end of his life.

## Radio Notes Completion of Rice Transplanting

*SK0806130995*

[FBIS Editorial Report] Pyongyang Korean Central Broadcasting Network in Korean at 2100 GMT on 6 June carries a series of under-minute reports on the completion of rice transplanting in areas throughout North Korea.

The report begins: "Cooperative farms in South Hwanghae Province are further accelerating rice transplanting. Agricultural workers in the province have achieved 86 percent of the rice transplanting target as of 5 June. In particular, cooperative farms in Anak, Sinchon, Chaeryong, and Unchon Counties have completed over 90 percent of the rice transplanting target. Also, cooperative farms in Paechon, Yonan, and Chongdan Counties have completed rice transplanting targets ahead of schedule."

The report adds: "Cooperative farms in South Pyongan Province have completed 97 percent of the rice transplanting target as of 5 June. Agricultural workers in the province are further accelerating rice transplanting. Pyongsong, Kaechon, and Sunchon cities; Songchon, Sinyang, Yangdok, and Pukchang Counties; and Tokchon City have completed rice transplanting in a timely manner."

The report continues: "Cooperative farms in North Hwanghae Province have completed 83 percent of the rice transplanting target as of 5 June. Agricultural workers at cooperative farms in the province are accelerating rice transplanting every day. Cooperative farms in Sariwon and Songnim cities, as well as Unpa, Pongsan, and Sinpyong Counties, have already completed rice transplanting in all parts of the rice paddies. Also, cooperative farms in Hwangju, Singye, Suan, and Koksan Counties are further making efforts to complete the rice transplanting ahead of schedule."

The report concludes: "Cooperative farms in Nampo City have completed 95 percent of the rice transplanting target as of 5 June. Agricultural workers at cooperative farms in the city are accelerating rice transplanting for a rich harvest by completing 7 or 8 or 10 percent of the total target every day. A total of 15 cooperative farms, including Chongsan cooperative farm in Kangso District, Kochang cooperative farm in Chollima District, and Ogdo cooperative farm in Yonggang county, have completed rice transplanting in the most timely manner."

## South Korea

### Reportage on DPRK-U.S. Nuclear Talks Accord

### Accord Specifies KEDO Leading Role

*SK0806101695 Seoul YONHAP in English 1012 GMT 8 Jun 95*

[FBIS Transcribed Text] Seoul, June 8 (YONHAP) — The highlight of the accord tentatively reached between the United States and North Korea in Kuala Lumpur is for the Korean Peninsula Energy Development Organization (KEDO) to select the type of the reactors to be supplied to North Korea and a main contractor for the reactor project, a senior official of the South Korean Government said Thursday.

"In the future, the KEDO will play a leading role in the project to provide light-water reactors to North Korea," he said.

North Korea demands, however, that a Kuala Lumpur agreement should describe in detail the source of South Korea's expertise on its model of light-water reactors, the official said.

Once the current talks in Kuala Lumpur come to a successful end, he said, the KEDO will come forward to take care of the reactor project without any further contacts between the United States and North Korea.

On the Kuala Lumpur U.S.-North Korea talks, the official said all essential points have been agreed on. "Some peripheral matters are yet to be settled, but I expect they will be resolved shortly," he said.

### Additional DPRK Demands Rejected

*SK0806144695 Seoul KBS-1 Television Network in Korean 1230 GMT 8 Jun 95*

[FBIS Translated Text] North Korea has made additional demands for auxiliary facilities worth approximately $1 billion. This is a very unreasonable demand that runs counter to international practice. The semi-high-level talks between the United States and North Korea in Kuala Lumpur are now facing a crucial moment due to this issue. However, the three countries — the ROK, the United States, and Japan — have decided to sternly observe international practice regarding auxiliary facilities. We have a report by Yi Hyon-chu from Kuala Lumpur:

[Begin Yi recording] During an unofficial emergency meeting held among the ROK, the United States, and Japan early this morning, it was concluded that they will sternly abide by international practice regarding North Korea's additional demand for auxiliary facilities.

They have agreed that of approximately 10 additional demands presently insisted upon by North Korea, most of them are very unreasonable and run counter to international practice. In particular, they have confirmed the firm position that they will never allow such demands to be specified in the documents of the agreement from the talks.

Also, the three countries have decided to earnestly propose to North Korea that they will specify the designation of ROK-model light-water reactors, which was suspended during the preliminary stage of drafting documents of the agreement between the United States and North Korea on 7 June. In particular, North Korea has recently and strongly stressed that the ROK-model light-water reactors come from the United States. This indicates that it is possible for North Korea to accept the ROK-model designation for the light-water reactors.

Along with this, they have decided to use the most clear expression in the course of rearranging the documents of the agreement so that North Korea cannot raise objections in the future in connection with the ROK's central role. At today's meeting, it was reconfirmed again that the agreement between the United States and North Korea will be useless if the agreement of the three countries is not reflected. [end recording]

### ROK Role 'Clearly Accepted'

*SK0906054595 Seoul KBS-1 Radio Network in Korean 0500 GMT 9 Jun 95*

[FBIS Translated Text] News just in: Deputy Assistant Secretary of State Hubbard, chief delegate of the U.S. side for the Kuala Lumpur U.S.-DPRK talks, has revealed that North Korea has clearly accepted the ROK as the main contractor in supplying light-water reactors [LWR].

Before holding the U.S.-DPRK plenary session today, Hubbard met with reporters and said that if North Korea had not accepted the ROK as the main contractor, the talks would not have been realized. He revealed that an ROK company will be the main contractor.

Along with this, Hubbard said that the additional expense for the LWR auxiliary facilities which North Korea proposed is an issue which the Korean Peninsula Energy Development Organization will decide later.

The United States and North Korea will once again hold a plenary session this afternoon and detailed discussions on the issue of additional support for the LWR auxiliary facilities and on clearly specifying the ROK's central role.

### Text of Pact Not Yet Completed

*SK0906084795 Seoul YONHAP in English 0838 GMT 9 Jun 95*

[Report by Hwang Tu-hyong]

[FBIS Transcribed Text] Seoul, June 9 (YONHAP) — The United States and North Korea have yet to produce a full text of tentative agreements on the provision of two light-water nuclear reactors to North Korea and are still negotiating to reach agreements on some key points of contention, Yim Song-chun, director general of the Foreign Ministry's American Affairs Bureau, said Friday.

Denying reports that the United States and North Korea reached tentative agreements in Kuala Lumpur, Malaysia, Yim said that "what the two sides produced is a one-page preliminary text which has many blank spaces where they failed to narrow differences."

"Although the two sides narrowed differences in a substantial part of the negotiations, they still have points which need to be solved," Yim said.

In the process towards documenting the full text of agreements, South Korea will do its utmost to reduce the ambiguity in wording, Yim said.

"Such an ambiguity could lead to differences in interpretation of the wording, triggering a lot of problems when proceeding with the reactor project during the next 10 years," he said.

Regarding the scheduled visit by U.S. nuclear ambassador [title as received] Robert Gallucci to Seoul late Friday, Yim said that Gallucci is coming to Seoul not only to discuss the key points of contention on the ongoing nuclear talks in Kuala Lumpur but also to discuss a number of issues which will follow after the talks are concluded.

Yim said that Gallucci will meet with Foreign Minister Kong No-myong and Unification Minister Na Ung-pae Saturday morning.

On his way back to the United States, Gallucci will visit Japan for consultations with Japanese officials but it was not clear when Gallucci will depart Seoul for Tokyo, he said.

In addition, Yim did not want to elaborate on what the key points of contention are between North Korea and the United States at the ongoing nuclear talks in Kuala Lumpur.

Sources well versed in the Kuala Lumpur talks, however, say that there are two major points of contention. One is how to state in the joint agreement, to be signed by the United States and North Korea, the type of light-water reactors to be provided to the North.

North Korea prefers the vague expression "reactors manufactured on the basis of American nuclear technology," while South Korea insists on "Korean standard nuclear power plants" or "Ulchin Nos. 3 and 4" as reference models for the two light-water nuclear reactors to be provided to the North as stipulated by last October's Geneva nuclear agreement.

The North strongly resists Seoul's insistence of using exact terminology when expressing the type of Korean-made reactors for reasons of political and national pride while the South wants such clear expressions used as it is paying the majority of expenses related to the reactor project, they said.

In between lies the position of the United States which is trying to satisfy South Korea, which focuses its efforts on imposing Korean-made reactors to the North, while concurrently trying to keep the North under the Nuclear Nonproliferation Treaty regime and persuading it to maintain the freeze on its nuclear facilities.

The U.S. negotiating team in Kuala Lumpur thus struck a verbal deal with its North Korean counterpart, that a joint statement will express what type of reactors will be decided by the Korean Peninsula Energy Development Organization (KEDO), according to the sources.

Another major point of contention is to what extent the North should be provided with additional facilities for the two light-water reactors.

The North wants to clearly say in the joint statement that about 1 billion U.S. dollars worth of additional or auxiliary facilities will be provided to the North while the South holds the position that it will not pay for more than what is required to design, build and install two light-water nuclear reactors, the sources said.

The United States proposed to put down on paper that the United States will provide the North with limited support facilities but that the provision of additional facilities will be discussed at separate talks, they said.

Gallucci is expected to persuade the South to provide the North with such basic additions to reactors as simulators and nuclear fuel processing plants as is the case in typical international commercial contracts involving the provision of light-water reactors, they said.

Whatever the outcome of Gallucci's visit here, South Korea is not likely to scrap the entire agreement if specific terminology is not used to ensure particular Korean model reactors are used in the project and by continuing to refuse to provide additional facilities, although South Korea will do its best to ensure its stance on both issues is heard, nuclear experts here predicted.

Gallucci's visit to Seoul itself is considered to be a sign of respect and loyalty towards South Korea in relation to the Washington-Pyongyang negotiations, as both Washington and Pyongyang are preparing to finalize a joint statement concluding the ongoing nuclear talks currently being held in Kuala Lumpur, Malaysia, they said.

### Gallucci, Lord in Seoul for Talks

*SK0906115595 Seoul YONHAP in English*
*1152 GMT 9 Jun 95*

[FBIS Transcribed Text] Seoul, June 9 (YONHAP) — U.S. nuclear ambassador [title as received] Robert Gallucci said upon his arrival at Kimpo International Airport Friday evening that he was visiting Seoul to hold further consultations with South Korean officials in connection with the recent progress made during the Kuala Lumpur talks between the United States and North Korea.

Gallucci, accompanied by Winston Lord, assistant secretary of state for East Asian and Pacific Affairs, affirmed that the discussions in Malaysia were proceeding smoothly "to the point (that) we will be consulting in Seoul and Tokyo."

"We plan over the next few days to intensify our consultations with our allies in those capitals," he remarked.

Gallucci and Lord declined to answer any questions from the press. They were immediately escorted into a VIP suite before driving away.

### Dailies Comment on Agreement

*SK0906085995*

[FBIS Editorial Report] The following is a compilation of editorials and articles published in ROK vernacular dailies on 9 June on the U.S.-North Korea negotiations on supplying light-water reactors (LWRs).

The conservative CHOSON ILBO carries on page 3 an 1,100-word article by reporter Ku Song-sin reporting the government's position on this issue. The article reports: "Our government seems to be trying to disguise its dissatisfaction with the process of the U.S.-North Korea talks being held in Kuala Lumpur, aware of the importance of ROK-U.S. cooperation at this moment for a successful conclusion of the negotiations." Regarding the type of LWRs to be supplied to North Korea, the article says "the government's position is that the 'reference power station' should be specified in the reactor supply agreement" or that "indirect specifications should be made designating the Ulchin Reactor Nos. 3 and 4" so as to "prevent North Korea from going off on a tangent." Regarding the issue of auxiliary facilities, the article reports the government's position that "it cannot accept North Korea's unreasonable demands."

The moderate HANGUK ILBO carries on page 3 an 800-word editorial titled "'ROK-Style' Must Be Specified in the Agreement." The editorial points out that the result of U.S.-North Korea negotiations on the reactor issue "plainly shows the talks have been held based on the U.S. policy of appeasing North Korea, and with U.S. interests and its own convenience as the first consideration." The editorial then urges the government to "specify 'ROK-style and the ROK's central role' in the reactor agreement without fail." Noting North Korea's "absurd demand for additional facilities worth $1 billion" and the possibility North Korea will "make further unjust demands regarding the operation of the Korean Peninsula Energy Development Organization [KEDO]," the editorial again stresses the need for the government to make its position clear in talks with U.S. nuclear ambassador [title as received] Robert Gallucci, who will soon arrive in Seoul. The editorial also urges the government to take "measures to cope with the rapid progress in U.S.-North Korea relations, North Korea's advance into the United States, the need to strengthen ROK-U.S. relations, and a stir in the overseas compatriot society following the conclusion of the LWR negotiations."

The pro-government SEOUL SINMUN carries on page 3 a 700-word editorial titled "Everything Must Be Clearly Spelled Out in the LWR Agreement." Noting the core element of what has been agreed upon in Kuala Lumpur between the United States and North Korea is that "the LWR supply agreement will be signed between North Korea and KEDO, and KEDO will select the type of LWR," the editorial welcomes "the government urging a renegotiation of this agreement." Reminded of the "lesson from the Geneva agreement" in which "the United States failed to reach a clear agreement on the LWR issue in its hurry to attain North Korea's consent," the editorial advises no hurry in concluding the negotiations so as to leave no room for argument in preparing the LWR supply agreement.

SEOUL SINMUN also carries on page 6 a 600-word article by reporter Yi Min-Hui. Pointing out the government's "somewhat ambiguous position" expressed in its explanation that "the talks are partially unsatisfactory but generally acceptable," the article reports the government's position on the U.S.-North Korea talks on the LWR issue from a perspective similar to the above CHOSON ILBO article. The article believes "the government will maintain closer cooperation and consultation with the United States to make the LWR supply agreement favorable to us and to lessen the additional burden shouldered by the ROK; will make it clear to the United States and Japan that the ROK will actually lead KEDO"; and "will have the people understand that KEDO's central role in the LWR project means North Korea must accept ROK-style LWRs as well."

The moderate TONG-A ILBO carries on page 3 an 800-word editorial titled "We Cannot Believe Verbal Promises." The editorial stresses the need to specify in the LWR supply agreement "the supply of ROK-style LWRs and the ROK's central role," the impossibility of building "additional facilities that are beyond the scope of the Geneva agreement," and the resumption of inter-Korean dialogue. The editorial also urges the United States "not to again put pressure on the ROK to accept an LWR supply agreement that uses such evasive words as were used in the Geneva agreement."

The moderate KYONGHYANG SINMUN carries on page 3 an 800-word editorial titled: "What Must Be Specified in the Agreement." While demanding the same specifications as stressed by other papers, the editorial particularly emphasizes: "The United States and Japan must share the expense of LWR construction because this issue arose from North Korea's threat to withdraw from the Nuclear Nonproliferation Treaty."

KYONGHYANG SINMUN also carries on page 2 a 600-word article by reporter Yi Sung-chol criticizing Foreign Minister Kong No-myong for severing contact with reporters in connection with the U.S.-North Korea talks, apparently based on unsatisfactory press reports regarding the United States and North Korea. Surmising that Minister Kong's attitude derives from his "bureaucratic and conservative ideas," the article reports: "If the person responsible for foreign affairs distrusts the press, severs relations with it, and asks it to unilaterally follow him, he cannot practice correct policies."

The moderate CHUNGANG ILBO carries on page 3 a 700-word editorial titled "Ambiguous Words Must Not Be Used Again in the LWR Supply Agreement." The editorial agrees with the government's demand for "a clearer expression of the supply of ROK-style LWRs" in a written agreement, pointing out that "North Korea is trying to gain maximum advantage by using as a wild card various problems concerning the LWR issue." The editorial notes that North Korea's intention to rapidly conclude negotiations is aimed at hastening the exchange of liaison offices with the United States and the supply of substitute energy, as well as at leaving room to pick a quarrel with the agreement. The editorial also stresses the need to "establish ROK-U.S. and inter-Korean consultative bodies so the ROK's intentions are fully reflected in all issues concerning the Korean peninsula."

The left-leaning HANGYORE SINMUN carries on page 3 an 800-word editorial entitled "The LWR Talks Have Passed a Critical Moment." The editorial welcomes the "virtual conclusion" of the talks and stresses "we should not excessively adhere to the title ROK-style LWR if the ROK's central role is actually guaranteed because, in light of North Korea's political situation, it is not easy for North Korea to accept the title ROK-style." However, the editorial stresses that "North Korea's position demanding additional facilities must be more clear," noting that "if the United States pressures the ROK to accept an ambiguous agreement regarding an additional burden, it will exert an undesirable influence not only upon U.S.-North Korean talks, but upon ROK-U.S. and inter-Korean relations."

### Proposal To Reorder U.S., DPRK Ties Viewed

*SK0906040895 Seoul SISA JOURNAL in Korean 8 Jun 95 pp 54-55*

[Article by reporter Kim Pang-hui on Professor Mun Chong-in's call for a "strategic offensive" like the unilateral abrogation of the armistice agreement: "The United States and North Korea Should Form a Military Alliance"]

[FBIS Translated Text] North Korea's nuclear threat has virtually disappeared as a result of the U.S.-North Korea Geneva agreement signed on 21 October last year. The ROK Government, however, has a new worry that the Korean peninsula problem may be monopolized by North Korea and the United States to the complete exclusion of the ROK.

North Korea has implemented a strategy to thoroughly exclude the ROK from the nuclear negotiations. It now demands that the Armistice Agreement be abrogated and that the United States and North Korea sign a peace agreement. North Korea made Czechoslovakia withdraw its delegation from the Neutral Nations Supervisory Commission [NNSC] in 1993. And, last year, it unilaterally withdrew from the Military Armistice Commission [MAC], which led China to follow suit. It also made Poland withdraw its delegation from the NNSC this year. This is interpreted as an attempt to replace the Armistice Agreement with a peace agreement.

North Korea thinks the United States is a party to the conflict on the Korean peninsula because of the Armistice Agreement, which was signed at 1000 on 27 July 1953. At that time, Harrison, commander of the United Nations Forces, and Nam Il, commander of the North Korean People's Army, signed the document. North Korea says that as parties to the Armistice Agreement, North Korea and the United States are the parties concerned with the signing of a peace agreement.

However, North Korea's demand to abrogate the Armistice Agreement and sign a peace agreement, will eventually be linked to the withdrawal of U.S. Forces from the ROK. This is why the ROK Government is concerned about the possibility of a North Korean offensive to sign a peace agreement. Moreover, the possibility of the isolation of the ROK Government as a result of improved U.S.-North Korea relations following the success of nuclear negotiations and light-water reactor negotiations, is also burdensome to the ROK Government.

This is why an ROK political scientist's remarks that it is necessary for us to take a different approach concerning North-South relations have caused a slight sensation. Yonsei University Professor Mun Chong-in presented a thesis on a "strategic offensive theory" at a reunification seminar hosted by the ROK Politics and Economics Association in December 1994. He also contributed the same thesis to the May edition of TONGIL KYONGJE [Reunification and the Economy], a monthly magazine published by the Modern Economic and Social Affairs Institute. The subtitle of the thesis — titled "Restructuring the International Order and Reevaluating North-South Relations" — is "A Proposal for a Strategic Offensive."

He states that the strategic offensive is an offensive diplomatic effort the ROK Government should implement in order to outwit North Korea, which is launching an offensive to sign a peace agreement, and in order to take the initiative in dealing with North-South relations and U.S.-North Korea relations. He insists that if the ROK Government sits idly by and merely watches the North Korea-U.S. negotiations, confusion will result in its policy toward North Korea and this will inevitably lead to diplomatic failure. As a means to prevent such a possibility, he presents two ideas, both of which are "extraordinary" ideas concerning the strategic offensive. First of all, he says it is necessary for the ROK to unilaterally abrogate the Armistice Agreement, from which the ROK, a direct party to the Korean conflict, is excluded. He proposes that the United Nations Command and the MAC be disbanded, that the U.S. Forces in the ROK be deprived of the status of United Nations Forces, adding that this would make it impossible for North Korea to use the Armistice Agreement card — the Armistice Agreement is now virtually nonbinding anyway — and make North Korea acknowledge the ROK as a party to the Korean conflict and accept direct North-South negotiations. North and South Korea would then, of course, enter into a state of military confrontation until a tentative armistice agreement or a peace agreement is signed.

The problem here is the presence of the U.S. Forces in the ROK. The ultimate goal of the North Korean efforts to sign a peace agreement is the withdrawal of U.S. Forces from the ROK. Therefore, even if the ROK Government unilaterally abrogates the Armistice Agreement, North Korea will not readily sign a peace agreement with the ROK, on the grounds that U.S. Forces remain in the ROK. For this reason, it is necessary to take another measure to ultimately change the status of the U.S. Forces in the ROK.

Professor Mun Chong-in says it is necessary for us to establish a Northeast Asian multilateral security cooperation system and maintain the U.S. Forces in the ROK under this system. He insists that because Japan, China, and Russia consider the U.S. Forces in the ROK to be a safety valve in this region, multilateral security cooperation will be possible with the U.S. Forces stationed in the ROK. And this will significantly mitigate North Korea's sense of disapproval for the U.S. Forces in the ROK. He also says that if North Korea does not accept this offer, it will be necessary to alleviate North Korea's uneasiness by turning the U.S. Forces in the ROK into a United Nations peacekeeping force or lead the United States and North Korea into forming a military alliance.

This offer, which is designed to outwit North Korea, seems to have had a refreshing impact on ROK Government officials concerned. This thesis has been the focus of attention even though no official discussion has been held on the strategic offensive, the abrogation of the Armistice Agreement, or a change in the status of the U.S. Forces in the ROK.

However, the strategic offensive theory has given rise to arguments on whether this theory is realistic or not. Yu Sok-yol, professor at the Institute of Foreign Affairs and National Security, says the "diplomatic arena is not a testing ground for new ideas." He added that the unilateral abrogation of the Armistice Agreement will give rise to North-South military confrontation and controversy in international law. However, Professor Mun says: "We must ask ourselves what we can gain from merely responding to North Korea's logic in the same old way." Can we afford to test new diplomatic approaches when our national interests are at stake?

### U.S. Soldier Allegedly Assaults Korean 9 Jun

*SK0906041595 Seoul KBS-1 Radio Network in Korean 0300 GMT 9 Jun 95*

[FBIS Translated Text] With the rise in the number of assaults on Koreans by U.S. soldiers in the ROK these days, another incident of a U.S. private assaulting a Korean resident occurred on 9 June in Tongduchon, Kyonggi Province.

At around 0030 on 9 June, 27-year-old Corporal (Smith Arlyn), of the second division of the U.S. Forces in the ROK, smashed a car parked in front of the New York shoe shop in Saengyon 4-tong, Tongduchon, Kyonggi Province, while arguing with fellow privates. When 40-year-old resident Kim Yong-sok tried to make him stop, he assaulted him.

The police caught Corporal (Smith Arlyn) and handed him over to the U.S. Forces' military police.

### U.S. Soldiers Indicted for 19 May Assault

*SK0906021395 Seoul YONHAP in English 0039 GMT 9 Jun 95*

[FBIS Transcribed Text] Seoul, June 9 (YONHAP) — The Seoul District Prosecutor's Office on Friday indicted two U.S. servicemen allegedly involved in the May 19 Seoul subway assault on charges they violated a law governing violence, while fining another soldier and the Korean wife of one of the servicemen.

Indicted are Sgt. Frank Golinar, 31, and Cpl. Grant Groff, 24.

The prosecution fined Mrs. Sohi Golinar, 24, wife of Sgt. Golinar, and Cpl. Garry Dorr, 28, 1 million won and 1.5 million won, respectively.

The four, supposedly intoxicated, allegedly fondled a Korean woman on a Seoul subway line No. 3 train at around 10:40 pm May 19, and beat Cho Chung-kuk, 28, who attempted to stop them, inflicting on him injuries requiring two weeks of medical treatment to recover.

A prosecution official said, "Although the suspects deny the charges on the grounds of self-defense, the assault was confirmed through questioning Cho and other witnesses. Therefore, we've referred two of the suspects who allegedly took an active part in the assault to a formal trial."

If they are prosecuted, the two U.S. servicemen will undergo the first and appeal trials by the local courts without physical restraint under the provisions of the Korea-U.S. Status of Forces Agreement (SOFA).

### Details of Alleged Subway Assault

*SK0906072595 Seoul YONHAP in English 0612 GMT 9 Jun 95*

[FBIS Transcribed Text] Seoul, June 9 (YONHAP) — The events that led up to the notorious Chungmuro subway brawl involving American servicemen and Korean citizens on the evening of May 19 are being disputed by a local civic movement group and the USFK (United States Forces in Korea).

Though it happened three weeks ago, the scuffle is still making headlines, as the Seoul District Prosecutor Friday indicted two American servicemen, Sgt. Frank Golinar and Cpl. Grant Groff, on charges they violated a law governing violence, and fined another U.S. soldier, Cpl. Garry Dorr and one of the indicted servicemen's Korean wife, So-hi Golinar.

No Korean citizens have been indicted.

Also, Cho Chung-kuk, the man allegedly beaten by the drunken soldiers, is in the midst of staging a hunger strike in front of gate No. 1 at the USFK's Yongsan base. He will be joined by a rally of supporters Friday and Saturday.

The National Campaign for Eradication of Crime by U.S. Troops in Korea, the group supporting Cho's protest and representing his viewpoint, called the indictment "natural" Thursday.

However, the USFK reiterated their stance that the soldiers are being unfairly treated.

"We believe that the USFK personnel are best characterized as victims in what is clearly a mutual fray," Jim Coles, the USFK public affairs spokesman said Friday. "There is culpability for this unfortunate incident on both sides."

According to the national campaign, speaking from Cho's personal account of the subway incident, the drunken soldiers came aboard the train at Yaksu station, shouting and singing obnoxiously. The Korean citizens on board were visibly irked, but patiently withheld from making any comments.

But the rowdiness did not abate, so Cho asked the soldiers to "please be quiet." The soldier replied by obscenely raising his middle finger in front of Cho's face.

Then, one of the soldiers touched a Korean woman, in her 40s, on the hip. It was at that point that Cho spoke up again. "Please stop," he said in what little English he could, "please be quiet."

Cho got off the subway at Chungmuro stop, and the soldiers followed him and jumped him, beating him while he cowered from the blows.

When asked if Cho returned any punches, the civic group stressed that he did not hit the soldiers. "He was by himself against several men. He could only crouch down to avoid getting more hurt."

A group of college-aged Korean men who saw what was happening, rushed to pull the soldiers off of Cho, but they, too, allegedly did not strike the soldiers.

Then the Chungmuro police arrived at the scene and broke up the fight. One police officer was apparently struck by a serviceman in the process of quelling the melee.

But the USFK claims that the Korean woman "sexually harrassed" on the train was not an anonymous "ajumma," but Golinar touching his wife. When asked if the ajumma has stepped forward to identify herself, the civic group says she hasn't and will not because she is "ashamed."

Coles also asserts that Ms. Golinar was berated by a young Korean man, who called her "vile names," most likely delivered because she is married to a foreigner.

The USFK also added that the soldiers exited the train at Chungmuro, not to follow Cho, but to go to a nearby karaoke bar. There, a large group of college-aged men allegedly assaulted the soldiers.

As for the other details provided by Cho, Coles stated, "there is no evidence in our investigation that indicates that information is totally factual."

But the national campaign is accusing the USFK of spreading lies, and cited the example of one of the servicemen involved in the brawl as saying during a police interrogation, "the first time I saw Cho was on TV," despite witnesses' accounts of both men being present at the scene.

Coles responded by saying the USFK and the Korean National Police's investigations have concluded at this point that the fighting occurred on both sides.

"Neither side gets all the credit for being stupid in this incident," he remarked.

### U.S. Congressman: DPRK Opposes ROK Rice Aid

*SK0906075195 Seoul YONHAP in English 0742 GMT 9 Jun 95*

[FBIS Transcribed Text] Seoul, June 9 (YONHAP) — North Korea is averse to accepting rice aid from South Korea, according to U.S. Rep. Bill Richardson (D-Wisconsin), who visited Seoul Tuesday and Wednesday immediately after a four-day tour of Pyongyang.

A diplomatic source stationed in Seoul Friday said that Richardson told South Korean Government officials of North Koreans' aversion to accepting rice aid from South Korea. North Koreans reportedly admitted that they had poor harvests last year due to bad weather, but asserted that their food situation was not bad enough for them to beg the South for rice.

The American representative also reportedly conveyed to Seoul authorities Pyongyang's stance that it would not do anything with the South for the time being.

As prerequisites to the resumption of an inter-Korean dialogue, North Korea reportedly cited to Richardson the repatriation of long-term North Korean prisoners who refuse to switch their ideological allegiance, the repeal of the National Security Law and a halt to large-scale military exercises.

During his Pyongyang visit Richardson was accompanied by Dick Christenson, the State Department's foremost expert on North Korea. While in Pyongyang Richardson had no less than nine meetings with core Nor.•. Korean leaders like Kim Yong-sun, chairman, Reunification Policy Committee, and Yang Hyong-sop, chairman of the Standing Committee of the Supreme People's Assembly.

These facts support the view that Richardson visited Pyongyang rather as a special envoy of the U.S. Government, according to the source.

Another diplomatic source said that Christenson is remaining in Seoul presumably to take part in the U.S. coordination of policies with Seoul regarding key issues agreed upon at the ongoing Washington-Pyongyang nuclear talks currently being held in Kuala Lumpur, Malaysia.

### Egypt Refuses DPRK Request for Free Rice

*SK0806145895 Seoul KBS-1 Radio Network in Korean 1430 GMT 8 Jun 95*

[FBIS Translated Text] It has been learned that Egypt refused North Korea's request for rice free of charge under the excuse of financial difficulties. A source knowledgeable in North Korean affairs in Tokyo stated on 8 June that in January North Korea asked the

Egyptian Government to provide approximately 100,000 tonnes of rice free of charge. Egypt conveyed the position to North Korea that it can export rice to North Korea, instead of providing rice free of charge.

### Thailand Delays Rice Shipment to North

*SK0906122395 Seoul MUNHWA ILBO in Korean 9 Jun 95 p 2*

[FBIS Translated Text] It seems there will be a setback in North Korea's plan to import Thai rice.

A government official revealed the following on 9 June: "North Korea's plan to import 300,000 tonnes of Thai rice can smoothly progress if it repays the first delivery of 50,000 tonnes of rice by 15 July, the deadline for the settlement. If North Korea delays, this plan will be suspended."

The official said that in February, North Korea sent to Thailand a seven-man economic mission led by Yi Song-tae, chairman of the External Economic Affairs Committee, and decided to import 300,000 tonnes of Thai rice this year; as a result, the first delivery of 50,000 tonnes was shipped to North Korea in late April.

It was learned that as a condition of the contract, Thailand proposed the 100,000 tonnes of rice that North Korea had purchased on credit from 1993 to 1994, totalling approximately $23 million, must be repaid first. North Korea had already partly repaid Thailand in the form of spot goods such as hot steel plate, zinc ingot, and cement, though approximately $20 million has not yet been repaid. Therefore, North Korea must also repay Thailand for the first 50,000 tonnes of rice, worth $12 million (the contract was concluded at $240 per tonne). With this added, North Korea must pay a total of $30 million by 15 July, the deadline for the first settlement. If North Korea cannot repay Thailand by this day, it seems the second and third deliveries of rice will be delayed.

### DPRK To Send Workers to Russia's Far East

*SK0906072795 Seoul YONHAP in English 0656 GMT 9 Jun 95*

[FBIS Transcribed Text] Vladivostok, Russia, June 9 (YONHAP) — North Korea plans to send a large number of its workers to Far Eastern Russia this year in an effort to help alleviate the food and foreign exchange shortages the country is experiencing, the South Korean Consulate-General here said Friday.

An official at the consulate-general said that North Korea has already sent a number of workers to Russia in addition to loggers in Siberia, for farming and construction work. North Korea plans to sign a contract with Russia again soon for the dispatch of its workers this year, he said.

The number of the North Korean workers in the Far Eastern part of Russia, including the maritime provinces of Khabarovsk and Amur, is expected to reach about 10,000 by the end of this year, not including the estimated 12,000 loggers in Siberia.

Presently, North Korea has dispatched 2,000 contracted farmers to Amur and Khabarovsk to grow beans there, while they have already sent 200 to 300 construction workers to each of the Sakhalin, Vladivostok and Irkutsk regions, he said.

He added the North Korean workers are mostly young men who have just been discharged from the military, and their contract periods to work in Russia are two to three years.

### North Buys Weapons From Ex-USSR

*SK0906121795 Seoul HANGUK ILBO in Korean 9 Jun 95 p 7*

[By correspondent Yi Chang-hun from Moscow]

[FBIS Translated Text] On 7 June, the Russian weekly NOVOYE VREMYA reported that from 1987 to 1991 North Korea purchased various weapons from the former Soviet Union worth $4.217 billion.

NOVOYE VREMYA revealed that during this time, North Korea ranked fifth among countries that purchased weapons from the former Soviet Union.

Among the countries purchasing weapons from the former Soviet Union, India purchased weapons worth $13.871 billion, Afghanistan purchased weapons worth $8.125 billion, Iraq purchased weapons worth $7.049 billion, Czechoslovakia purchased weapons worth $4.684 billion, and North Korea purchased weapons worth $4.217 billion.

### Daewoo Trying To Send Technicians to DPRK

*SK0906063595 Seoul HANGUK ILBO in Korean 9 Jun 95 p 11*

[FBIS Translated Text] It was learned on 8 June that the Daewoo Group, which received a permit from the government to participate in the North Korean project of building an industrial complex in Nampo, will send 13 technicians to North Korea in late June, if possible.

A Daewoo Group official stated: "After receiving an invitation from North Korea for the 13 technicians to visit North Korea at the end of May, the Daewoo Group submitted an application to the government for permission to visit North Korea and is now awaiting the government's approval."

Another Daewoo Group official said: "If the government issues a permit immediately, the technicians will be able to visit North Korea in late June or early July as it will take time to coordinate the details of the joint venture project."

### Sonbong Trade Zone Worst Storm Area in DPRK

*SK0806081195 Seoul YONHAP in English 0710 GMT 8 Jun 95*

[FBIS Transcribed Text] Seoul, June 8 (YONHAP) — Sonbong, North Korea's free economic and trade zone now under development, is reportedly the worst "storm area" on the Korean peninsula.

Storms hit that region in the North an average of 147.4 days a year, according to data on meteorological observations of the area, which the Maritime Safety Agency of Japan recorded for 30 years, between the years 1915-1944.

January was recorded the most stormy month with 22.1 days followed by December with 21.3, February with 18.9, March with 17.1, November with 16.8, October with 13.8, April with 13.5, May with 8.2, September with 8, August with 3.3 and June with 3.1 days of recorded storm activity.

July recorded the fewest number of storm days with 1.6, the data showed.

The Observatory of the Japanese Resident-General, which had ruled the Korean peninsula during 1910-1945, also recorded similar data on the Sonbong region, noting 132 storm days annually.

In the meantime, South Korean industrial sources opined such frequent storms will have a considerable influence on vessel entry into and out of the port area.

### Civic Groups Burn Japan's Watanabe in Effigy

*SK0806065595 Seoul THE KOREA TIMES in English 8 Jun 95 p 3*

[FBIS Transcribed Text] More than 100 members of civic groups strongly protested the remarks of former Japanese Foreign Minister Michio Watanabe justifying the Japanese annexation of Korea during their regular Wednesday Rally, the 168th in a row, in front of the Japanese Embassy yesterday.

Chongdaehyop [chongkun wianbu techek hyophoe, Association for Measures for Comfort Women Who Served During the Japanese Annexation], the organizer of the weekly protest seeking compensation for "comfort women," urged the Japanese Government to give a "clear-cut declaration" about its colonial rule of Korea when it issues its parliamentary resolution marking the 50th anniversary of the end of World War II.

Chongdaehyop also renewed its call for compensation for comfort women from Japanese Government funds, instead of a civic fund.

Another civic group of senior citizens, who experienced the Japanese colonial rule, burned an effigy of Watanabe in front of the embassy, and denounced Watanabe's remarks as "insanity."

### MAFF To Support Technology Development

*SK0806020395 Seoul THE KOREA TIMES in English 8 Jun 95 p 8*

[FBIS Transcribed Text] The Ministry of Agriculture, Forestry and Fisheries [MAFF] intends to select provincial universities specializing in the study of farming, forest growing and fishing and grant them budgetary assistance so they can play a role in developing advanced agriculture-forestry-fisheries technology to help farmers and fishermen cope with the wave of unlimited competition in a new World Trade Organization (WTO) era, the ministry has said.

To this end, the ministry will finalize a list by the end of the year in consultation with provincial governors and mayors choosing from among the 53 universities involved in agriculture-forestry-fisheries across the nation.

The ministry will deliberate on the wish lists submitted by universities and give them financial support of between three to four billion won each to buy high-tech facilities and equipment.

The government agency also plans to open an agricultural junior college next March and establish forestry and fishery colleges in 1997.

The ministry will also assist nine agricultural high schools financially, granting them 1.6 billion won each in assistance, while supporting three fisheries high schools with 1.3 billion won each to cultivate future agricultural and fisheries leaders.

Honor students at those high schools will be given preferences in entering junior colleges of agriculture, forestry and fisheries. In case they are designated community leaders in the agriculture and fisheries industry, they will be given exemptions from their duty to do military service.

### 24,000 Temporary Alien Workers in Country

*SK0906111695 Seoul YONHAP in English 0458 GMT 9 Jun 95*

[By Kim Myong-chol]

[FBIS Transcribed Text] Seoul, June 9 (YONHAP) — It was in May last year that foreign unskilled workers began arriving in the country for "on-the-job training" at a number of small- and medium-sized manufacturing industries.

The government introduced this system of inviting foreign workers for training to ease the ever-increasing labor shortages that the country has been experiencing since 1990, especially in the "three-D" — difficult, dirty and dangerous — types of jobs, and resolve the issue of unauthorized alien employees.

Under the system, the Korea Federation of Small Businesses (KFSB) imports alien worker-trainees on contract with a foreign labor agency, and the KFSB assigns the imported foreign trainees to local firms on a contract basis. Foreign worker-trainees arriving in the country under this system can work in the country for a maximum of two years.

At present, foreign worker-trainees staying in the country under this system number 24,552, including 9,366 Chinese, 4,145 Vietnamese, 3,601 Filipinos, 2,060 Bangladeshis, 1,361 Indonesians and 1,021 Myanmarians (Burmese), with an additional 100 to 900 trainees each from Pakistan, Sri Lanka, Nepal, Iran and Uzbekistan. Resulting in worker-trainees from 11 Asian countries receiving assignments to various manufacturing industries in the country today.

The textile industry has the largest number of foreign trainees, 7,317, among those industries accepting foreign workers, followed by the machinery industry with 3,218, the rubber and plastics industries with 2,218, the footwear industry with 1,991, the automobile industry with 1,649, the communications equipment industry with 1,335 and the fur industry with 1,045. In addition, they are assigned to the woodworking, paper, chemical and optical instrument industries. In all, they will undergo training in 21 industrial fields.

The total number of local firms utilizing these foreign worker-trainees number 5,215, mostly small factories with a workforce between 11 and 200 employees.

Kyonggi Province hosts the largest number of foreign trainees among the provinces, with 2,043 firms employing a total of 8,230 foreign workers.

In addition, 343 firms in the industrial estates in the Panwol and Sihwa regions employ a total of 1,625 foreign worker-trainees.

A recent poll of the local firms employing foreign worker-trainees showed that 76 percent of them are happy with the foreign worker-trainee program thus far. Employing these foreign workers for less wages in jobs domestic workers prefer not to do, allowing for greater business achievements than expected, according to the survey.

The Ministry of International Trade and Industry, which strongly called for the foreign workers training system, is also pleased with the side-effects of the system — eased labor shortages in small businesses and contributions to stabilizing wage levels.

But the system is not without its problems. The foremost is the absence without leave, or desertion, problem that these firms employing foreign worker-trainees are experiencing.

As of the end of April, there were 6,140 such deserters, one fourth of the total number of foreign worker-trainees in the country. Deserters from some 60 firms in the Sihwa industrial estate numbered over 400, including some 300 ethnic Koreans from China representing nearly half of the 780 Korean-Chinese trainees assigned to the firms.

Wage gaps between the foreign worker-trainees working under the foreign workers training program and unauthorized or illegal foreign employees are chiefly responsible for the increase in the number of deserters. In addition, the exorbitant commissions Korean firms are directly charged by manpower suppliers contracted to send worker-trainees to Korea, the government's lax controls on illegal employment of foreign workers and the resulting increase in the number of local labor brokers are to blame.

Facing this situation, the government has taken a number of measures to prevent foreign worker-trainees from deserting, including intensive regulations being placed on local labor brokers and industries illegally employing foreign workers and work incentives, such as medical insurance and paid vacations, for foreign worker-trainees.

The government recently decided to invite an additional 22,000 foreign workers to the country under the foreign workers training system.

### Police Raid of Religious Compounds Denounced

*SK0706112995 Seoul YONHAP in English 1045 GMT 7 Jun 95*

[FBIS Transcribed Text] Seoul, June 7 (YONHAP) — More religious and dissident organizations joined forces Wednesday in denouncing the police intrusion into religious compounds Tuesday to arrest Korea Telecom Union leaders.

Buddhist Chogye order elders met at the Chogye-sa Temple in downtown Seoul and urged the government to punish those responsible for the police action.

Representatives of 35 Buddhist organizations including the Buddhist Human Rights Committee, in a separate meeting at the Chogye-sa Temple, decided to form a "pan-Buddhist committee" to cope strongly with the action the government took.

In the Catholic circles, the National Catholic Alliance for Justice consisting of 17 Catholic laymen's organizations held a press conference at the Myong-tong Cathedral to denounce the police intrusion into "sacred religious precincts."

Tens of alliance members went on an indefinite protest sit-in after the press conference.

In addition, the National Alliance for Democracy and National Unification and several other dissident organizations issued statements denouncing the police action.

About 1,000 students of the Hanchongnyon or the Federation of Korean University Student Councils held a protest rally at Tongkuk University and then a street demonstration, demanding the release of the arrested union leaders and the punishment of those responsible for the arrest.

Around 8 am Tuesday, the police stormed into the precincts of the Myong-tong Catholic Church and Chogye-sa Buddhist Temple to round up 13 Korea Telecom Union leaders wanted in connection with "unlawful" union activities.

### Kim Yong-sam Names New Vice Minister

*SK0206124695 Seoul YONHAP in English*
*1200 GMT 2 Jun 95*

[FBIS Transcribed Text] Seoul, June 2 (YONHAP) — President Kim Yong-sam appointed Friday Executive Assistant to the Prime Minister Yi Ki-ho as new vice health and welfare minister, replacing Chu Kyong-sik who has been said inefficient in dealing with the dispute between drugstores and herb doctors.

Born in Mokpo city, South Cholla Province, in 1945, the new vice health and welfare minister studied economics at Seoul National University.

Before he was assigned to the prime minister's office in 1992, he had chiefly worked at the Economic Planning Board, which merged with the Finance Ministry last year into the Finance and Economy Ministry, serving as chief policy coordinator and chief policy planner, among other jobs.

### Kim Yong-sam Urges More Emphasis on Environment

*SK0406003995 Seoul THE KOREA HERALD*
*in English 4 Jun 95 p 2*

[FBIS Transcribed Text] President Kim Yong-sam said yesterday that it is time for South Korea to put more emphasis on environmental protection.

"Preoccupied with achieving economic development for the past 30 years, we have failed to take a due care of environmental problems," Kim said, addressing a ceremony marking the 23rd World Environment Day.

The Environment Day commemorative events, which took place at a riverside park on Yoido with more than 7,000 people participating, included performances by parachuters, scuba divers, windsurfers and a bike parade.

Kim said that South Korea now faces serious problems of environmental pollution as the result of overlooking environmental issues.

"Now is the time for us to discard the old conception of giving the first priority to development and seek a balanced pursuit of environmental preservation and development," he said.

Efforts should be made to preserve natural environment and diversity of natural life, supply clean water and air, and recycle wastes, Kim said.

The President called for the development of the environment protection industry in the country.

"We've got to take a leading role in the international endeavors to protect the earth."

He called on the people and businesses to support government's environmental protection efforts.

"Businesses should produce environment-friendly goods and consumers need to be wise on selecting such goods," Kim said.

### Kim Tae-chung Urged Not To Return to Politics

*SK0806121895 Seoul YONHAP in English*
*1105 GMT 8 Jun 95*

[FBIS Transcribed Text] Pusan, June 8 (YONHAP) — A senior presidential assistant stressed here Thursday afternoon that Kim Tae-chung, chairman of the Asia-Pacific Peace Foundation, shouldn't return to politics under all circumstances.

"If he returns to politics formally, I myself will personally attack him," Pak Kwan-yong, special assistant to the president for political affairs, said.

During a question-and-answer session following a speech he gave at Tong-a University, Pak said he recognizes Kim Tae-chung's past struggles against dictatorship.

"But, a new person suitable to the conditions of times should come forward," Pak said, adding that upon the end of President Kim Yong-sam's five-year term, the three Kims' era should be liquidated.

The three Kims refer to President Kim, Kim Tae-chung and Kim Chong-pil.

Pak gave the address entitled "Reformative Politics in the Age of Globalization" before about 100 students of the university's Graduate School of Business Administration at the Sunghak campus.

### Kim Tae-chung 'Regional Equality' Remarks Viewed

*SK0306115295 Seoul TONG-A ILBO in Korean 3 Jun 95 p 3*

[Editorial: "Dispute on Regional Equality"]

[FBIS Translated Text] The theory on regional equality raised by Kim Tae-chung, chairman of the Asia Pacific Foundation, is causing delicate repercussions in political circles, which are looking forward to the local election. The usual and unproductive dispute on "localism" that had accompanied every major election has risen without exception. Chairman Kim's subsequent remarks on the parliamentary government system have further complicated the situation.

Chairman Kim's aides explained that regional equality is a concept opposed to regional hegemonism, which gives privileges and favors to certain regions, and that the concept calls for horizontal, not vertical, cooperation and competition among regions. There is nothing wrong if the explanation is the face value of the theory. The theory indicates a correct direction. Then why is the dispute snowballing?

The key problem is that regional equality may sound like support for regional division. Chairman Kim first raised regional equality in his speeches delivered at Kungmin University and in Yosu last weekend, saying that as a result of the upcoming local election, the ROK will be divided into four to five regions, weakening regional hegemonism. He also said that Kim Chong-pil's founding of a new party will strike a blow at regional hegemonism. This kindled the dispute.

The remarks caused controversy even inside the Democratic Party, not to mention the stormy criticism from the ruling circles. The president and some of the vice presidents of the Democratic Party criticized the remarks as an idea of localism. The Democratic Party just saved itself from an internal crisis, but again split in face of the adversary, seriously confusing its own election strategy. The voters supporting the Democratic Party are confused as to which candidates the Democratic Party is backing and on what basis.

Even though the political reality makes it difficult to ignore "regional" factors, the upcoming local election is for local functionaries. It is desirable for voters to choose candidates based on their quality, policy, and party. If the additional factor of "regional background" emerges, the associated image would shift the focus from the policy and ideology of parties and politics to regional considerations. It may mislead the people's sound judgment and choice.

We have seen enough of the evil of sectionalism and regional hegemonism in our past political history during the Pak Chong-hui era and most recently in the presidential election between No Tae-u and the three Kims. We obviously must overcome regional sentiments. The ruling and opposition parties should not just talk about embracing national and citizens' parties without regional preference, while in practice pursuing regional composition.

It is too early to judge whether Chairman Kim is raising the verification of public opinion on regional equality and a parliamentary government system to prepare for his return to politics. It is totally up to the free will of Chairman Kim, who announced his retirement from politics right after the 1992 presidential election, to decide whether to return to politics. The moral aspect of the decision is a separate issue. However, considering the situation, Chairman Kim had better clarify his position and demeanor to clear unnecessary speculation, and for the predictability and transparency of politics as well.

### Auditors Inform Pohang Iron of Irregularities

*SK0806120295 Seoul YONHAP in English 1016 GMT 8 Jun 95*

[FBIS Transcribed Text] Seoul, June 8 (YONHAP) — The Board of Audit and Inspection (BAI) reported Thursday it had uncovered numerous cases of financial irregularities committed by the Pohang Iron and Steel Co. (Posco) and asked the state-run firm to take steps against four of its present and former officials in this connection.

Among the four were Kim Yong-un, Posco's marketing headquarters chief, and Choe Kwang-ung, procurement headquarters chief.

BAI said a general inspection it made in the recent past revealed that Posco employed more executives than authorized and paid them 1.5 to 2.7 times higher salaries than those for officials of other public enterprises.

For instance, the BAI report said, Posco purchased other companies' stocks at prices 7.4 billion won higher than their going values and inflated the assets of a firm it took over thus causing a loss of 3 billion won to Posco.

Posco also paid 40 billion won in retirement allowances to a total of 582 officials and employees not eligible for "honorary retirement."

A mini-bus driver, for example, who retired "honorably" after less than a year's service, was paid 70 million won in retirement allowance, it said.

"We have told Posco to recollect 1,860 million won — 1,300 million won in excessive prices of goods it purchased and 560 million won in excessive payments to its contractors," the report said.

BAI said, however, it did not recommend any action against Posco Chairman Kim Man-che.

## Opposition Lawmaker Queried on Suspected Bribery

*SK0906101095 Seoul YONHAP in English 0858 GMT 9 Jun 95*

[FBIS Transcribed Text] Seoul, June 9 (YONHAP) — The Kwangju District Prosecutor's Office has summoned opposition Democratic Party (DP) lawmaker Kim In-kon to question him about allegations that he has received hundreds of millions of won from would-be candidates running in the June 27 local elections, the Supreme Public Prosecutor's Office said Friday.

The opposition lawmaker is under investigation on suspicion that he received 40 million won late last year from Pae Myong-yong in return for his promised support for his candidacy on DP's ticket in the local legislative election in South Cholla Province.

Rep. Kim is also suspected of having received money from other hopeful candidates wanting to run for the chief administrator's posts in some counties (kun) and cities as well as from candidates running for provincial council positions.

The investigation started last February when Pae revealed the scandal and implicated the lawmaker.

The prosecution said that similar investigations were being made for 16 other lawmakers.

## Effect of Polls on Economic Policy Examined

*SK0806061095 Seoul THE KOREA HERALD in English 8 Jun 95 p 8*

[Article signed with initials "CSJ," titled: "Sound Sense of Economics Gives Way to Vote Gathering"]

[FBIS Transcribed Text] With less than three weeks to go until the largest local elections in the nation's history, sound sense of economics is giving way to vote gathering within the ruling circle.

All government agencies have refrained from implementing "unpopular" economic policies for the past few months or shelved them until after the election. Taking the places of these otherwise essential measures for the national economy are many pork barrels, analysts here say.

Take the current state of Korean economy for instance. The government's economic policymakers are as a matter of fact seeing it as overheated but have said to the contrary at least officially.

Korea's economy grew 9.9 percent in real terms in the year's first quarter and its expanding tempo is showing no signs of letup in the current quarter.

The jobless rate is hitting the rock bottom to attain a near perfect employment, spawning concerns about labor crunch and spiralling wages, while the large enterprises are using up every penny of funds available for capacity buildup.

"Now is the time that government came up with stringent austerity steps," said an analyst at a government think tank. "This is especially important because of the 'time lag' taken for any restraint policy to take effect."

What the government's economic bureaucrats have done, however, exactly runs counter to this direction.

Deputy Prime Minister Hong Chae-hyong has said that there will be no abrupt cooling off of the economy such as through the drawback of funds, on every occasion available, while repeating his pledge for growth amid stability.

The ministry, which expressed early this year its firm intention for fiscal surplus by expanding tax revenues, have instead announced of late a set of tax breaks for wage earners.

For the last few months, few marginal companies have been "allowed" to go under as shown in the case of housing contractors, which are now awash with massive fund supports from the government to keep them afloat.

Two biggest problems facing the nation's economy around the June 27 election will be too much money and too few workers around, most analysts agree.

According to the Ministry of Finance and Economy, legal election campaign funds to be used by about 23,000 candidates vying to snatch 5,671 local administrative and council posts at stake will exceed 400 billion won (about $500 million).

Assuming that the candidates spend up to four times more than what is permitted by law for campaigning, money to be released because of election will reach 2 trillion won, a ministry official said.

This will not be directly linked to any considerable increase of total money supply, because most of the funds will only change their places from the coffers of banks to the pockets of people, he said.

Considering that most of these fund will be cash in the people's hands, it will sharply raise the private consumption, and touching off inflation, analysts said.

The effect of an increase in disposable money on prices will be materialized at least after six to nine months of the election, they said.

The ministry's report also estimates the number of legal campaigners at 173,500, which, however, may rocket up to 3 million, when so many volunteer workers said to be mobilized by the rival political parties are included, the analysts said.

To be hit hardest by the diversion of otherwise industrial workforce will be industries highly dependent on menial, and mostly day, laborers, they said.

If an unskilled day laborer receives 100,000 won by clapping hands at the election rallies for 16 days, his total income will be equivalent to his earning of two months at construction sites.

The ministry believes that the economic loss during this election will be heavier than any previous one as it comes on top of the business boom and in June, the month when economic activities are most vigorous throughout a year.

It therefore hopes that candidates refrain from making reckless and unrealistic campaign pledges only for the sake of vote gathering.

The annual wage negotiations at major worksites will also have to be concluded before the election date, to help lessen the adverse impact the possible labor strikes will have on the inflation and labor supply problems, officials said.

In the pure sense of business, the ruling party and the government will have to consider allowing different local autonomous bodies to hold their next election at separate dates instead of the simultaneous election throughout the nation as is now the case, they said.

## Ministry, Bank Report Government Bond Position

*SK0206055095 Seoul YONHAP in English*
*0246 GMT 2 Jun 95*

[FBIS Transcribed Text] Seoul, June 2 (YONHAP) — The accumulation of government bonds issued that remain unpaid as of the end of last year totals 20,761 billion won, which means that government agencies owe each Korean national an average of 467,000 won, officials at the Ministry of Finance and Economy and the Bank of Korea said Friday.

National housing bonds accounted for the largest portion of all the outstanding government bonds with 8,930.4 billion won remaining unpaid, followed by grain bonds with 6,020.5 billion won, foreign exchange equalization fund bonds with 4,200 billion won, national debt management bonds with 1,470 billion won and treasury bills with 100 billion won.

The annual issuance of new government bonds, which topped 9,334 billion won in 1990, declined to 8,192 billion won in 1991 and then to 7,813 billion won in 1992 before rebounding to 9,417 billion won in 1993 and then to 9,345 billion won last year.

## Burma

### Authorities Reportedly Release U Kyi Maung

*BK0806153595 London BBC in Burmese to Burma 1345 GMT 8 Jun 95*

[FBIS Translated Text] It has been reported that Burmese opposition leader U Kyi Maung, who was taken into custody by the Burmese military authorities last week, has been released. It was also reported that U Kyi Maung was released without being charged. Many of those arrested together with U Kyi Maung have also been released. U Kyi Maung, former chairman of the opposition party, the NLD, National League for Democracy, was sentenced to 10 years imprisonment for treason and had spent almost five years in jail when he was released last March.

According to expatriates in Rangoon, U Kyi Maung was arrested after meeting with diplomats and foreign journalists. He has been warned not to have contacts with diplomats and foreign journalists.

#### 'Informed Sources' Cited

*OW0806232995 Tokyo KYODO in English 1432 GMT 8 Jun 95*

[FBIS Transcribed Text] Yangon [Rangoon], June 8 KYODO — Myanmar's [Burma] ruling military junta Thursday [8 June] released a former pro-democracy movement leader, Kyi Maung, after a week of detention, according to informed sources.

The former acting chief of the National League for Democracy (NLD) was detained last Friday shortly after he held talks with the British ambassador to Myanmar, who was to return to London with a former secretary of detained NLD leader Aung San Suu Kyi.

The detention followed his release in March from five years of imprisonment. The first release of Kyi Maung, a retired colonel and leading spokesman for the NLD, was conditional on his not becoming involved in any political activity.

He played a leading role in the opposition's landslide victory in the 1990 general election. The military junta refused to accept the election results and remains the governing authority.

Suu Kyi, a Nobel Peace Prize laureate, has been under house arrest since July 20, 1989.

### High-Level Military Delegates Leave for Pakistan

*BK0906070995 Rangoon Radio Myanmar in Burmese 0430 GMT 9 Jun 95*

[FBIS Translated Text] At the invitation of the chief of the Army Staff of Pakistan, the Myanmar [Burmese] Defense Services' high-level goodwill delegation led by Major General Tin Hla, commander of the Southwest Military Command, left Yangon [Rangoon] International Airport [YIA] by air for Pakistan yesterday morning. In Pakistan, the delegation will discuss matters concerning friendship between the Myanmar Defense Services and the Pakistani Armed Forces, and cooperation on mutual interests of the personnel of both Armed Forces.

The delegation was seen off at the YIA by Lieutenant General Min Thein, quartermaster general; retired Air Vice Marshal Abbas H. Mirza, Pakistani ambassador to Myanmar [Burma]; Brigadier General Than Tun, joint adjutant general; Brig. Gen. Aung Thein, director of the Public Relations and Psychological Warfare, and high-ranking military officials.

## Cambodia

### Sihanouk Meets Lao President Nouhak Phoumsavan

*BK0806144695 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 8 Jun 95*

[FBIS Translated Text] His Majesty King Norodom Sihanouk Varaman and his consort gracefully received in audience His Excellency [H.E.] Nouhak Phoumsavan, president of the Lao People's Democratic Republic [LPDR], and his wife at Teveavinichhai Throne Hall at 1100 today.

Also present were Samdech Hun Sen, second prime minister of the Royal Government of Cambodia [RGC], and his wife; H.E. Foreign Minister Ing Huot and his wife; and Oknha Choveaveang Kong Sam-ol, deputy prime minister and royal palace minister.

His majesty informed the Lao president and his delegation that he was very delighted and honored to be able to welcome him and his wife to Cambodia. He added that the trip to Cambodia by the LPDR president was testimony to the reinforcement of the relations of friendship and solidarity between our two countries and evidence of the kindness offered by the Lao people to the Cambodian people.

In his reply, the Lao president said that in the name of the Lao Government and people, he had followed with great attention the all-out efforts displayed by King Sihanouk in the restoration of peace and national reconciliation. He stressed that during its visit, his delegation clearly saw the gracefulness of Cambodia after the 1993 general elections and after all the Cambodian parties have reunited.

### Khmer Rouge: King Has Right To Defend Nation

*BK0906104695 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 8 Jun 95*

[Unattributed commentary: "Why Does the Two-Headed Government Attach the King to Its Press Law?"]

[FBIS Translated Text] At communist Vietnam's order, the two-headed government has concocted a press law and introduced an article which attaches the king to this fascist and savage law. In this article, the law stipulates that any newspaper committing lese majeste shall be slapped with a $9,000 fine. On this subject, however, the king has rejected the punitive recommendation, saying that merely warning any newspaper that has affronted him will suffice.

People wonder why the two-headed elements have attached his majesty the king to their savage press law. The answers are:

1. It is for the purpose of dragging the king along with them into the same stinking fascist cesspool. This is because the battle between the press and the two-headed elements has intensified steadily. The two-headed elements hope that should they suppress, incarcerate, or assassinate a few journalists, the king would also be implicated. The king would become the protector or even an abettor of the traitors. They are selling the name of his majesty the king. These traitors Hun Sen, Chea Sim, Ranariddh, and Sar Kheng seem to be free to do whatever they like and are becoming ever more cruel and savage. So, the two-headed elements hope that the king would be pleased and would join with them in defending their interests and their senselessly savage and ruthless fascist acts. The king immediately challenged this obnoxious scheme, however.

2. The two-headed elements also hope that if the king accepts this law, he will surely respect and implement it. They note, for example, that he respects the Constitution — devised by communist Vietnam and its puppets — when it specifies that the king rules but does not govern, that the king is only a symbol, and so on. They skip other articles which stipulate that the king has the right to ensure that genuine national unity reigns, that the country is free from fighting. They pick up just one article, however, in order to handcuff and muffle the king, completely immobilizing and silencing him. This new episode has pierced the overall veil that has been spread out since the king was enthroned — that is, the king is being kept under the dictatorial and fascist shield of the communist Vietnamese regime. Hun Sen, Chea Sim, and Sar Kheng are dictatorial; their army and police are dictatorial; their administrators at all levels are dictatorial; and the two-headed government is also dictatorial. They all advocate dictatorship and fascism. The king is held under this dictatorial regime.

Hardly had the king initiated the ideas of national reconciliation, national reunification, and ending the war than communist Vietnam, the alliance, and the communist Vietnamese puppets jumped up to oppose him. Hun Sen even openly intimidated the king, completely robbing him of all desire to pursue any initiatives. Now the two-headed MP's have concocted a press law by attaching the king to the hellhole where they belong. The king has said, however, that he cannot accept that law. Nevertheless, whether he accepts it or not, the communist Vietnamese puppets and their boss have already interpreted their so-called Constitution in advance.

Cambodians at home and abroad clearly see that the king of Cambodia is being held in the iron cage of communist Vietnam and its puppets. As a matter of fact, under the Constitution of any other country, the king and the Royal Council of the Throne would have the right to steer and counsel both the legislative and executive organs. The king has the right to serve as a mediator. He plays a role in ensuring national defense and national security. In all problems, the king has the right to intervene and give advice in the interest of his nation and people. Communist Vietnam and its puppets together with the alliance, however, have deprived the Cambodian king of all his rights and freedoms. Even in such matters concerning the country's independence and territorial integrity, the Cambodian king does not have the right to open his mouth. Do they think they can make the king their puppet to serve their policy against the interests of his own nation and people?

People also wonder whether the king has agreed to rule without an iota of power within the dictatorial framework of communist Vietnam and its puppets.

Every citizen has democratic freedom of expression and the king is one of those citizens. He is being muffled by communist Vietnam and its puppets, however, who categorically forbid him even to write or talk about national reconciliation, national reunification, and ending the war. This is a question being posed to the Cambodian nation and people regarding the king's status and role under the dictatorial and fascist regime of communist Vietnam and its puppets.

## Indonesia

### Officials View Island Dispute With Malaysia

*BK0906044195 Jakarta SUARA PEMBARUAN in Indonesian 7 Jun 95 p 3*

[FBIS Translated Text] Jakarta, 7 June — Indonesia believes that further discussions on the Sipadan and Ligitan Islands dispute can be carried out bilaterally. If there is a need to involve a third party, the preferred mechanism would be through ASEAN; the time has not yet come for the dispute to be settled through international channels.

Izhar Ibrahim, director general of politics in the Foreign Ministry, said this to reporters after the opening of the Indonesia-Malaysia Joint Commission meeting in Jakarta on Tuesday (6 June).

Izhar Ibrahim disagreed with the view that the Sipadan and Ligitan Islands dispute could be a hindrance to bilateral relations because relations between the two countries have been good all along, despite the emergence of the dispute in 1969 and several inconclusive meetings held previously. In 1992, a joint working group conducted an intensive debate on the Sipadan-Ligitan Islands dispute. Apparently, the authorities have yet to complete a comprehensive report on developments regarding the two disputed islands. There are indications that the two sides are being careful to prevent any misunderstandings while the issue is still pending.

Meanwhile, speaking after his meeting with reporters on the joint communique issued at the conclusion of the AETD [All-Inclusive Intra East Timor Dialogue] in Austria, Foreign Minister Ali Alatas said in connection with the issue of the disputed islands that some progress has been made and the legal discussions and arguments between the two sides are nearly complete. It is most likely that we will decide to continue the discussions at the political level. We truly sought a settlement within the bilateral context, but the issue has been elevated to the political level.

Replying to a question about the priority topics for discussion, Malaysian delegation leader Datuk Abdul Halim Ali said that all topics on the agenda are priority topics.

Continuing, Izhar Ibrahim said the current Indonesia-Malaysia Joint Commission meeting is the fourth such meeting, and several issues will be discussed. Indonesia hopes that issues of bilateral economic cooperation, including the issue of bilateral cooperation in the development of the growth triangle; cooperation in information; and the issues of citizenship, employment, and illegal immigrants can be settled. Much progress has been made but several problems have yet to be solved. He added that the mechanism formulated by the joint commission will definitely serve as a guide and will help satisfy the desire of the leaders of the two countries to achieve a speedy settlement so as not to burden the next generation.

The ultimate objective of the joint commission meeting is to improve bilateral relations. The current fourth meeting began with a meeting between senior officials from the two countries and will continue at the ministerial level on the final day.

The joint commission was formed based on an agreement reached by the two countries and signed in Kuala Lumpur on 20 July 1991. Jakarta and Kuala Lumpur have taken turns hosting the three previous joint commission meetings held in 1991, 1993, and 1994.

### Suharto Meets Malaysian Foreign Affairs Minister

*BK0906071395 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 9 Jun 95*

[FBIS Translated Excerpt] President Suharto has stated that people of all strata must fully support efforts to diversify the people's eating habits to enable us to maintain self-sufficiency in rice. [passage omitted on the Indonesian food festival]

Meanwhile, Malaysian Foreign Affairs Minister Datuk Abdullah Ahmad Badawi paid a courtesy call on President Suharto at the Merdeka Palace. President Suharto stressed the need for stronger cooperation between the two countries. Speaking to reporters, Minister Abdullah Ahmad Badawi attached great importance to mutual understanding on any problems.

[Begin Abdullah recording, in progress, in Malay] During the meeting, President Suharto invariably stressed the need for further strengthening Malaysian-Indonesian cooperation to enable both of us to gain all opportunities to move forward. Although attention should be paid to any issues between Malaysia and Indonesia, the two sides pay greater attention to cooperation. [end recording]

The Malaysian foreign affairs minister is visiting Indonesia to attend a four-day meeting of the Indonesian-Malaysian Joint Commission, which starts today.

### Malaysia Urges Settlement of Islands Dispute

*BK0906093695 Kuala Lumpur Voice of Malaysia in English 0800 GMT 9 Jun 95*

[FBIS Transcribed Text] Malaysian Foreign Minister Datuk Abdullah Ahmad Badawi has called for a speedy settlement to the dispute with Indonesia over two islands off the coast of Borneo.

He said especially on the issue of Sipadan and Ligitan, Malaysia wants to settle the problem as soon as possible in a peaceful manner through negotiations based on a spirit of brotherhood.

He said this at the opening of the fourth ministerial meeting of the bilateral joint commission in Jakarta. While a settlement is sought, he said the two sides should avoid any action that could give rise to misunderstanding and tensions.

The issue has been included among the 18 topics to be addressed by the fourth ministerial meeting of the Indonesia-Malaysia Joint Commission.

### Foreign Minister on East Timor Meeting Outcome

*BK0906061995 Jakarta REPUBLIKA in Indonesian 7 Jun 95 p 1*

[FBIS Translated Text] The meeting in Austria known as the All-Inclusive Intra East Timor Dialogue [AETD] ended on 5 June, a day ahead of schedule. The meeting concluded with the issuance of an eight-point declaration. The meeting remained unofficial, however, and there was no official endorsement of the contents of the Austrian Declaration.

The only information received from the media was a report on the Austrian Declaration that was worked out via a dialogue among the participants — those in favor and against the integration of East Timor — in an effort to settle the integration issue within the context of the UN endeavor. One of the points in the declaration asked the UN secretary general to host another dialogue in the future as a follow-up to the dialogue in Austria and involving Indonesian and Portuguese diplomatic leaders.

Apart from this, the declaration noted that a meeting between Indonesia and Portugal under UN mediation was important. The declaration also emphasized the need to implement human rights effectively in various aspects to create greater peace, stability, justice, and social harmony in East Timor.

Regarding the outcome of the dialogue in Austria, Foreign Minister Ali Alatas said he has yet to receive a comprehensive report from Roving Ambassador Lopez Da Cruz, who attended the meeting in his personal capacity. Ali Alatas said that like the previous meeting between the two East Timorese groups in London, the points that could assist in improving the situation and solving the problem in East Timor will be taken into account during the upcoming tripartite negotiations (among Indonesia, Portugal, and the United Nations). Ali Alatas said: "We will abandon the irrelevant points."

According to Ali Alatas, there is a need to give further consideration to the possibility of holding another dialogue among the East Timorese themselves. This will be discussed during the upcoming tripartite meeting involving the foreign ministers of Indonesia and Portugal under the UN secretary general's patronage.

One of the major issues that attracted attention was that the meeting in Austria — as reflected in the declaration — did not consider the issue of East Timor's political status. Members of the hardline group could have brought up the issue during the closed meeting, but as seen in the points included in the declaration, the issue of East Timor's political status was never mentioned.

The nonmention of East Timor's political status in the declaration was probably due to the desire of the Indonesian participants not to include it. Some statements — such as the statement issued by Ramos Horta prior to the meeting in Austria, in which he continued to harp on the issue of East Timor's political status — could help to perpetuate the issue indefinitely.

Irrespective of the progress that might have been achieved during the AETD meeting, something may have opened the eyes of the hardline participants. No matter how small this achievement may be, we still consider it important. We truly hope that the East Timorese living abroad who have been used — whether they realize it or not — as tools by foreign elements who oppose Indonesia will come to realize their role as pawns. If they want to maintain this role, we feel that they will not benefit. The East Timorese in Indonesia will continue to develop their own and other regions along with the other Indonesian communities.

## Philippines

### Manila Seeks Multilateral Program in Spratlys

*BK0906060795 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 8 Jun 95*

[FBIS Translated Text] The Philippines will push for a multilateral development program to utilize the marine resources in the Spratlys.

Foreign Affairs Secretary Domingo Siazon, Jr. said he has dispatched former Ambassador Alfonso Yuchengco to China to discuss with Chinese leaders the proposal on the utilization of marine resources near the South China Sea. Siazon added that the proposal will be tackled during the ASEAN meeting in July.

[Begin Siazon recording in English] We are now looking for individual companies who may have an interest in dealing, [pause] doing business with China; to try and meet possible counterparts on the Chinese side, China side; and, see how projects could be identified, formulated, and implemented. [end recording]

### PRC 'Open' to Cooperation in Spratlys

*BK0906071195 Quezon City Radio Filipinas in English 0230 GMT 9 Jun 95*

[FBIS Transcribed Text] China is open to both bilateral and multilateral cooperation with countries in the Asia-Pacific region in dealing with the Spratly issue, but definitely wants the U.S. out of the picture, acting Foreign Secretary Domingo Siazon, Jr. revealed this Thursday based on reports submitted by businessman Alfonso Yuchengco and Brigadier General Ismael Villareal. Siazon stressed, however, that Chinese officials were categorical that the U.S. must not get involved in the issue or in any joint projects to be undertaken by claimants in some of the islands in the disputed territory in the South China Sea.

It will be recalled that the U.S. has called China's attention to its unfriendly gestures in the Spratlys.

Siazon said that reports indicate that the parameters of cooperation between the Philippines and China in resolving the Spratly dispute is quite wide. He added that any kind of communication and economic cooperation between China and the claimant nations would certainly lead to greater confidence.

Yuchengco, a former ambassador to China, was recently sent by President Ramos as a special emissary to Beijing after the mainland objected to the Spratlys visit made by 39 Filipino and foreign journalists sponsored by the Philippine Armed Forces. Villareal, on the other hand, is in the Philippine Military's Commission on Joint Services Command and Staff College in Fort Bonifacio.

Siazon says Beijing and Manila are now talking with various private companies to identify the [word indistinct] projects that are to be (?culminated) by both governments in the Spratlys.

### Siazon Announces Dialogue With PRC

*BK0906083895 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 9 Jun 95*

[FBIS Translated Text] The Philippines will hold a dialogue with China on the Spratlys dispute before Manila raises the issue at the ASEAN Regional Forum in August.

According to acting Foreign Affairs Secretary Domingo Siazon, Jr., negotiations between Beijing and Manila will be held in the Philippines. Secretary Siazon has refused to give the exact date for the talks.

It will be recalled that tension between the Philippines and China heightened when Chinese fishermen built structures in the Panganiban Reef which is being claimed by Manila.

## Thailand

### U.S. Urged To Consider Hmong Refugee Policy

*BK0906051895 Bangkok THE NATION in English 9 Jun 95 p a4*

[Article by Kunlachada Chaiphiphat: "Clear-cut Policy on Hmong Needed"]

[FBIS Transcribed Text] The amended U.S. immigration act passed by the U.S. Congress last week effectively closes the door to Hmong refugees, who might eventually face repatriation against their will or remain stranded in Thailand.

The move to enlarge Washington's reception quota for Hmong refugees from Thailand is encouraging, although this does not reflect any altruism at all in the U.S. handling of its relations with Laos and Thailand.

Ironically, the move came close to the congressional approval of the amended U.S. Immigration Act, which should spell the end to Washington's humanitarian approach as it cuts off the reception quota for refugees to the U.S. by October.

As it stands, only about 3,000 Hmong refugees in Thailand have recently passed the proposed rescreening process by the U.S. that is conducted by the United Nations High Commissioner for Refugees (UNHCR).

An intelligence source here said these people, whom the U.S. had proven to be part of the American-led insurgency against the communist Pathet Lao during 1970's, will have to be admitted by the U.S. before October.

As a result, around 20,000 refugees currently in Thailand's UNHCR-supervised camps and about 15,000, who have taken refuge at the Tham Krabok Rehabilitation Center [in Lopburi Province], will remain in Thailand and soon face a disguised form of forced repatriation to Laos.

U.S. Congressman Dana Rohrabacher (R-Cal) has already clarified that the rescreening process will be the last one that will show Washington's sensitivity over its pangs of guilt about the Vietnam War and that no more refugees will be admitted afterwards.

Rohrabacher, who just returned from a visit to Laos to assess the refugee situation, also hinted that the U.S. was willing to support a program to lessen welfare service to the remaining refugees since this has made their lives more difficult by staying in Thailand.

He also tends to believe that there is no founded fear of political persecution among the Hmong who are reluctant to return to Laos probably because of the economic hardship they might encounter after being used to the UNHCR welfare system.

Apparently, all these arguments were designed to divert U.S. responsibility from this problem. But this could also backfire on U.S. efforts to patch up ties with Laos and undermine Thailand's relations with Laos.

In retrospect, there is no clear policy on how to deal with Hmong refugees remaining in Thailand after the mandatory dateline for the repatriation as sponsored by the UNHCR comes about by the end of this year. The Ban Napho camp in Nakhon Phanom has been turned into the transitional camp for refugees waiting to return home.

The UNHCR framework only deals with the Hmong refugees in the camp. Nonetheless, the UNHCR representative in Bangkok, Ruprecht Von Arnim, in a recent interview with THE NATION, said that the number of voluntary returnees has decreased by 90 per cent from last year due to a perceived hope that they will have a chance to go to the U.S. Before last September, there were 1,000 applicants. As of February this year, the number has decreased by approximately 250 monthly and as of last month about 100 returned voluntarily.

This is not to mention the group taking refuge in Wat Tham Krabok. These Hmongs fled the camps as they did not want to return home. There were some who were driven from the border following the intensification of the Thai military's drive against the anti- Vientiane insurgency during the past two years.

They will pose a big problem for Thailand and will be exploited by interest groups both in Thailand and the U.S. Some of them are remnants of the anti-Pathet Lao army of exiled Hmong leader Vang Pao and relatives of Hmongs in the U.S. who have refused to return to Laos and would prefer to labor in Thailand.

But since most of them are said to be drug addicts, they will find it very difficult to go to the U.S. given Washington's relentless drug-suppression policy.

At the same time, Laos, with its legitimate security concerns, has made it clear that it will not take back those who refuse to go. Laos probably prefers that these people take up Thai citizenship to relieve themselves of the responsibility of looking after them.

Thailand made it clear that it will no longer bend over backwards to address the problem. According to a well-informed source, the Immigration Office has proposed pumping [baht] Bt76 million in a campaign to drive the Hmong back in a worse-case scenario. But this surely will trigger border tensions again between Thailand and Laos.

In view of this situation, there should be further talks and a more humanitarian approach by Thailand, Laos and the U.S. to deal with the plight of the Hmong in Thailand.

The UNHCR resettlement program in Laos should be one that will encourage them to go back rather than continue staying in Thailand. At the same time, the U.S. should not forego an opportunity to allow the Hmong to be reunited with relatives there.

Otherwise, all efforts to heal the wounds from the Vietnam war will just be put to waste.

If the U.S. continues calling for the return of the remains of American servicemen still believed to be missing in action, they should also not forget to take into consideration the plight of the Hmong who fought alongside with them.

### Surin Says Foreign Policy To Remain Unchanged

*BK0906092795 Bangkok Radio Thailand Network in English 0000 GMT 9 Jun 95*

[FBIS Transcribed Text] Acting Minister of Foreign Affairs Surin Phitsuwan said that Thailand's foreign policy will remain unchanged even though government changes are made through parliamentary process. As the Thai people are set to elect members of parliament from which the 21st prime minister of the country and the new government will be drawn, foreign policy will be largely pursued, in particular the emphasis on ASEAN and its expansion to become a 10 member regional cooperation organization.

Mr. Surin said strategies and details might change, but the policy and the goal will remain and be pursued to develop Thailand as a center of the region. Thailand has no plan to dominate or to take advantage of her neigbors. He also commended Deputy Prime Minister Suphachai Phanitchaphak for his significant role in enhancing Thailand's relations with the countries in the region and the international community through economic ties and cooperation.

### Minister Urges Probe of Burmese Claim on Bridge

*BK0906052395 Bangkok THE NATION in English 9 Jun 95 p a6*

[FBIS Transcribed Text] Thailand is to investigate a Burmese claim that construction of the Thai-Burmese bridge across the Moei River would affect the border between the two countries, Deputy Foreign Minister Surin Phitsuwan said yesterday.

Rangoon made the claim after a Thai construction team reinforced the river bank in Burma's Myawaddi province, which Burmese authorities believe would change the course of the river which forms the Thai-Burmese border.

But Surin said the reinforcement of the river bank was only aimed at allowing heavy equipment for construction of the bridge to be loaded securely in the area.

On Wednesday, Rangoon ordered a temporary halt to construction and the removal of equipment from the bank pending a resolution to the issue.

"The ministry's acting permanent secretary Sarot Chawanawirat invited the Burmese Ambassador to Thailand, U Tin Win, to discuss the issue today. We both agreed to investigate Rangoon's claim as both countries realize the benefit of the bridge when it is finished," Surin said.

"Bangkok has no intention of doing anything that could lead to a change in the course of the border. Our intention is to strengthen the are to pave the way for heavy equipment." he stressed

Bridge engineer Thuan Thongchaokhongkha, said Burmese authorities ordered the Thai construction team to take their equipment back across the border by Friday.

He added the order would only affect construction on Burmese soil, not in Thailand.

### Karen, Burmese Forces Clash at Border

*BK0906104795 Bangkok MATICHON in Thai 9 Jun 95 p 6*

[FBIS Translated Text] According to an 8 June report from a MATICHON correspondent in Tak Province, a Thai military source has disclosed that some 1,000 Burmese soldiers from battalions 77, 88, and 44 have been carrying out suppression against KNU [Karen National Union] forces opposite Thai territory at Ban Wale and Ban Phadi, Phopphra District, Tak Province. The ensuing clash, including two intense gunfire exchanges, began at 2000 on 6 June and continued until the morning of 7 June.

The Karen soldiers, who were familiar with the terrain, surrounded the Burmese soldiers, firing heavy and small weapons, while the Burmese countered with 120-mm mortar and other arms.

The source said the warring groups continued to confront each other about two kilometers from the Thai border. The Burmese reportedly suffered 50 killed and 20 wounded, while the Karen loss included five killed and many wounded. The Karens seized a Burmese G-3 weapon [not further identified]. Fighting continued sporadically, particularly at night.

Thai soldiers at Phopphra District have reportedly been reinforced by more troops, three 105-mm artillery pieces, and six V- 150 armored vehicles. They patrolled the whole of last night.

KNU leader General Bo Mya, whose shelter was near the clash site, moved to the south after the heavy fighting. Earlier, on 1 June Karen soldiers and the same Burmese army units clashed for two hours, causing 27 Burmese to be killed or wounded.

## Vietnam

### Ex-Congressman's Charges on POW's Rejected

*BK0806113095 Hanoi Voice of Vietnam in English 1000 GMT 8 Jun 95*

[FBIS Transcribed Text] A former American congressman in North California, Mr. Bill Hendon, stated on Wednesday that there were still American prisoners of war being detained in Vietnam. According to REUTERS, Mr. Hendon visited MIA Office in Hanoi asking American officials to investigate his claim. Our radio has this comment.

REUTERS also reported that American officials at the MIA office in Hanoi refused to see Mr. Hendon and rejected to meet his demand. On what ground did Mr. Hendon make such a statement? In fact, in past years such a report with similar content had been heard in the United States. Much time and effort have been spent on investigation into the issue. Many American officials from the State Department, Defense Department, and War Veterans Department have visited Vietnam with active support from the Vietnamese Government and people to identify the issue. They admitted no live American prisoners remain in Vietnam. In fact, what would Vietnam detain them for? Vietnam has undergone many years of war and suffered very much from separation from their families and dear ones. If anyone thinks that Vietnam uses this issue to serve the normalization of relations between the two countries they are mistaken.

At present, the Vietnam-U.S. relations are developing positively. They have to follow the common global trends of peace, cooperation, and development. In the settlement of the MIA issue, American officials themselves have made assessment. Senator Kerry said: Vietnam has done all it could in the search for American MIA's. The press secretary of the White House stated that the U.S. was satisfied with cooperation of the Vietnamese Government and people in the settlement of the MIA issue.

Though, Mr. Hendon's statement is incorrect. [sentence as received] The American officials at the MIA Office in Hanoi were right when they refused to see him and meet his demand.

### Leaders' Support for ASEAN Admission Outlined

*BK0806134795 Hanoi Voice of Vietnam in English 1000 GMT 8 Jun 95*

[FBIS Transcribed Text] In more than one month in Brunei, the Association of Southeast Asian Nations will officially admit Vietnam into the organization. Our radio editor reviews the issues leading to the agreement of leaders of the ASEAN countries on this admission.

Philippine President Fidel Ramos has said that Vietnam would soon become a developed country as part of the region. Cooperation with Vietnam in its open door economy and renovation process would be beneficial to all countries, including superpowers. Vietnam becoming a member of ASEAN would be beneficial to the entire region, both politically and economically.

Indonesian President Suharto said his country admired measures taken by the Vietnamese Government and people in national development. Indonesia welcomed and highly appreciated Vietnam's spirit and establishment of cooperation in many fields with ASEAN.

For his part, Singapore Prime Minister Goh Chok Tong commented that the renovation program implemented by Vietnam since 1986 was a fine start and that the success of the program would expand and strengthen relations between Vietnam and other countries in the region. He held that Vietnam had enough conditions to become a dynamic economic country in Southeast Asia. Cooperation between Vietnam and Singapore would open up roads for Vietnam to join the Asia-Pacific community.

Malaysian Prime Minister Mahathir Mohamed said: Vietnam had been able to set up close relations with Asian neighboring countries in the last several years. This spelled out the creative leadership and the practicality of Vietnamese leaders. With its approach and correct policy, Vietnam would develop its country like other countries in Southeast Asia.

In Thailand, Prime Minister Chuan Likphai affirmed that Vietnam would make a strong and rapid development and play an important role in the development trend in Southeast Asia. Thailand was ready to give Vietnam full support in the framework of bilateral and multilateral cooperation.

Brunei King Hassanal Bolkiah affirmed his country's full support for Vietnam's plan to sign the 1976 Friendship and Cooperation Treaty in Southeast Asia and its participation in regional cooperation.

The chairman of the Southeast Asian Interparliamentary Organization (Basri Dato Mohamed Kadir) said in a short period of time, Vietnam had made great progress, particularly in economic field. The Vietnamese Government had achieved a high level of stability and due to this stability and steadiness, the Vietnamese Government has led the people to record many results in the renovation process. He said: ASEAN, Vietnam, Cambodia, Laos, and Myanmar [Burma] together cooperated and acted as a united group of countries.

### Prime Minister's Activities in Finland, Sweden

*BK0806133495 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 7 Jun 95*

[Report by Dinh Khai]

[FBIS Translated Text] Dear friends, yesterday, the last day of their official friendship visit to the Republic of Finland, Prime Minister Vo Van Kiet, his wife, and members of our government delegation visited a number of economic establishments in Helsinki. During his tour of the Union of Forest Industry and (Elsar) Company, a seed supply and afforestation foreign investment venture, Prime Minister Vo Van Kiet tried to learn as much as possible from forest planting, care, and exploitation experiences. He also tried to learn as much as possible from investment in infrastructure building in support of the paper industry. On this occasion, leading officials of the paper industry assured the prime minister of the possibility of expanding cooperation with and providing assistance to Vietnam's paper industry in terms of technology, equipment, marketing, and personnel training. During his tour of the (Dierayja) ship building plant, Prime Minister Vo Van Kiet highly valued the achievements of Finland's ship building industry and hoped that based on the Ben Kieng ship repair plant built with Finland's financial assistance in the past, more cooperation and financial assistance agreements will be achieved by the two countries in this domain.

Yesterday afternoon, a delegation of the Finland-Vietnam Friendship Association led by its vice president, Mr (Suran), paid a courtesy call to Prime Minister Vo Van Kiet. The vice president informed the Vietnamese prime minister of the activities that the association has organized since its establishment in 1971 to support Vietnam, especially during those years when Vietnam carried out the struggle for national independence. He expressed the resolve of the association to do all it can to rally public support for Vietnam.

Prime Minister Vo Van Kiet said he was pleased to meet again those friends who had persisted in their endeavors to support Vietnam during the months and years gone by. He thanked the association for its campaign to raise funds for Vietnam and expressed the hope that the association would organize more activities to further consolidate and strengthen the friendship and multifaceted cooperation between Vietnam and Finland in the days ahead.

Also yesterday afternoon, Prime Minister Vo Van Kiet attended the opening of a seminar organized for Vietnamese and Finnish businessmen by the ASEAN-Vietnam Trade Federation of Finland. Speaking on this occasion, the prime minister briefed the Finnish businessmen of the economic situation in our country over the past years. Dealing with bilateral economic cooperation, Prime Minister Vo Van Kiet said:

[Begin Vo Van Kiet recording] Finland's leading industries, such as nonferrous metal, chemical, wood processing, paper, ship building, electronics, infrastructure building, and environmental protection can find an attractive market in Vietnam. Realities show that trade ties and investment between our two countries are still very modest and not on a par with the potential and expectations of the two countries. Please allow me to reiterate at this seminar that the Vietnamese Government will do all it can to further strengthen bilateral economic ties. It is our hope that the Finnish business circles will play a due role in Vietnam soon.

The Finnish Government and people have reserved their fine sentiments and generous and valuable assistance for Vietnam not only during those years of the Vietnam war but also now during our postwar national construction and renovation process. Your assistance is very practical and has contributed to our past achievements. On behalf of the Vietnamese Government and people, I would like to sincerely thank the Finnish Government and people. It is our hope that this seminar will bring about better mutual understanding and shed more light on bilateral cooperation opportunities. Our ministers will discuss issues of common concern with you. I am hopeful that this seminar will lead to the signing of new agreements and further consolidate the groundwork for the promotion of fine bilateral relations. I wish each and every one of you, friends, good health and happiness. [end recording]

Dear friends, yesterday evening at 1700, Prime Minister Vo Van Kiet, his wife, and members of our government delegation arrived in Stockholm to begin their official friendship visit to the Kingdom of Sweden at the invitation of Prime Minister Carl Bildt. An official welcoming ceremony was held at the airport according to the host country's customs to honor the Vietnamese prime minister.

## Cooperation Pacts Signed With Sweden

*BK0906062895 Hanoi VNA in English*
*0541 GMT 9 Jun 95*

[FBIS Transcribed Text] Hanoi VNA June 8 — Vietnam and Sweden signed in Stockholm on June 7, afternoon, three cooperation agreements as a result of Prime Minister Vo Van Kiet's three day [as received] official visit to Sweden from June 6.

Prime Minister Kiet and his entourage have been touring six European countries with Sweden as the second last leg to seek more external financial support for the renovation process.

The agreements included an agreement on Sweden's aid of SEK [Swedish krona] 60 million to support Vietnam in export-import payment balance, an agreement on general procedures for Vietnam-Sweden development cooperation in the 1995-2000 period, and an agreement on juridical cooperation.

They were respectively signed by Vietnam's Finance Minister Ho Te, State Planning Committee Deputy Head Vo Hong Phuc and Sweden's Foreign Minister Lena Hjelm-Wallen, and Vietnam's Vice Justice Minister Nguyen Van San and Director General of the Swedish International Development Agency (SIDA) Bogoransson.

Prime Ministers Kiet and Ingvar Carlsson witnessed the signing of these documents which took place upon the talks of the two leaders.

Later in the evening, Prime Minister Ingvar Carlsson gave a banquet in honour of Prime Minister Vo Van Kiet and his entourage.

The same day, the Vietnamese Government leader called on the speaker of the Swedish parliament Mrs. Birgitta Dahl.

The cabinet minister in charge of the government's office, Mr. Le Xuan Trinh, who accompanied the prime minister, sent a present and best regards from Vietmam Communist Party Central Committee advisor Pham Van Dong to Mrs. Lisbeth Palmer, wife of the late Prime Minister Olof Palmer.

This afternoon Prime Minister Kiet and his wife and entourage left Stockhokm for Iceland.

### Vo Van Kiet Ends Sweden Trip

*BK0806132295 Hanoi Voice of Vietnam in English 1000 GMT 8 Jun 95*

[FBIS Transcribed Text] Vietnamese Prime Minister Vo Van Kiet, his wife, and entourage have concluded a two day official visit to Sweden as guests of Prime Minister Carl Bildt. Earlier, Vo Van Kiet concluded his three day visit to Finland, the fourth leg of his current six nation trip to Europe which began on May 28th.

While in Finland, Vo Van Kiet called at the Union of Forest Industry and (Elsar) Company and inquired into the pulp and paper industry, which has helped Finland become the world's second largest paper exporter, and the ship building industry. He also addressed a seminar on cooperation and investment in Vietnam hosted by the ASEAN-Vietnam Trade Federation of Finland. Vietnamese business people who accompanied the prime minister worked with their Finnish partners on measures to be taken to promote cooperation in areas of interest. General Director of the Vietnam Power Corporation Le Liem and the chairman of the Finnish (?Export General Department) signed an agreement on a $1.9 million loan to fund a project of equipment for two 110-kv transformer stations in Buon Me Thuot and Kon Tum, both in the central plateau of Vietnam.

### ROK To Aid Capital, Stock Markets

*BK0806092295 Hanoi VNA in English 0517 GMT 8 Jun 95*

[FBIS Transcribed Text] Hanoi VNA June 7. — South Korea's Government and business people have agreed to help Vietnam develop capital and stock markets. This was reached during a recent visit to the Republic of Korea by a delegation of Vietnam's Finance Ministry headed by Deputy Minister Nguyen Sinh Hung.

Earlier, South Korea's stock exchange service and Vietnam's finance minister had agreed to open a training course in this regard in September of this year. This was also confirmed during the visit.

### Paper Discusses Peaceful Evolution Activity

*BK0806014995 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 25 May 95 p 2*

[Article by Nguyen Quoc Pham]

[FBIS Translated Text] We are presently living in a complicated political background in both regional and international contexts. The collapse of the Soviet Union and other socialist states in Eastern Europe has very much delighted the international reactionary forces. Vietnam, one of the remaining socialist states, is now in the process of renovating the country and is determined to stay on the path it chose more than half a century ago. That is why the Socialist Republic of Vietnam is the target from many directions for imperialism and the reactionary forces. This is a war without gunfire - peaceful evolution - carried out with malignant, carefully designed, and long term strategies that are extremely dangerous.

It is necessary to expose the true faces and the wicked tricks of the enemies as well as their activities. These are very complicated and difficult tasks in the ideological field in general and for the people responsible for researching and teaching theoretical logic in particular, especially in the period of national construction and renovation on the path of socialism and fatherland protection. A recent resolution of the party Central Committee's Political Bureau has clearly determined the functions, roles, and contents of the ideological tasks in the present period, and has also pointed out the importance of the struggle against peaceful evolution. Here in this article the writer wish to discuss some issues in relation to the propaganda and use of public mass media by some groups and organizations of overseas Vietnamese who aim to smear our regime, distort our policies, push for pluralism and a multiparty system, and vandalize the renovation undertaking of our party and people.

In the recent past there have been relatively large numbers of Vietnamese people living, studying, and working in the Federal Republic of Russia and other former Soviet Union states. There have also been many papers coming here from Western countries (journals and magazines published in the U.S., France, the Federal Republic of Germany, and so forth). These papers and magazines were printed in both Vietnamese and English and published in the name of Vietnamese communities living in those countries.

In these papers, apart from some news and items that reflect activities happening inside Vietnam, most items carry only half of the truth about the renovation taking place in all the domains of politics, socioeconomics, and culture; they also carry comments aimed at smearing and distorting the truth. Using professional tricks, the journalists always appear objective by using scientific facts and making comparisons between theory and reality in their analysis and commentary. However, their motives and objectives always show up when they excessively stress the shortcomings and mistakes of certain groups or individuals, or when they distribute incorrect information about facts, people, or organizations in their activities aimed at building socialism in Vietnam. Some papers open columns or forums on democracy and human rights in Vietnam, or on literature and arts in the renovation period. Some papers even recall things from the past and put them under highly sensational and curiosity arousing headlines such as "Documentary on the Trial That has Never Been Judged", or "Democracy on Paper", and so forth. One particular paper carries a serialized article by Bui Tin and other exiled persons.

In Russia, Germany, and Poland, due to the long distance from home and the limited availability of a domestic press, many people have read and circulated the above papers and magazines. The impact on the Vietnamese people living far away from home is that their mind and hearts have been filled with suspicion and confusion, eventually leading them to disoriented opinions about the renovation undertaking, the political system, the democratic socialist regime, and other policies and lines of our party and state. Most of these papers display their addresses with offers of cheap advertisements and free delivery to readers who cooperate in giving news and articles to them (some of the papers have also found their way to Vietnam). On the soil of the Federal Republic of Russia, some individuals and groups have cooperated with foreigners to publish rag papers with contents aimed at distorting the truth, inciting violence or sexual sentiments, or campaigning for superstition.

The Irina Radio, an anticommunist radio in the Vietnamese language located in Russia and sponsored by the West, has been forced to close down recently. However, there are still many radios from the West broadcasting in Vietnamese that are trying to smear our regime.

The aforementioned activities are only some rings in the chain of the nefarious and extremely dangerous "peaceful evolution" strategy implemented by the imperialists and international reactionary forces that we need to uncover.

### Radio Rejects Bui Tin's Activities

*BK0806132395 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 7 Jun 95*

["Essay" by Tran Thien Nhien]

[FBIS Translated Text] The Vietnamese people and their friends the world over heartily celebrated the 20th anniversary of the victorious resistance against the United States for national salvation, the liberation of the south, and the unification of the country. This victory was the fulfillment of the all- time dream of our people. At the same time this anniversary was being celebrated, Bui Tin in Paris also eagerly escalated his activities of slandering and denouncing the great historic significance of this important event of our time.

The INFORMATION paper's 28 April issue carried an interview with Bui Tin under a big headline: I, a Colonel From North Vietnam, Liberated Saigon and Brought Misfortune to This City. He also bluntly advertised the memoirs that he said he wrote with a clear conscience: My Life and My People Under Communist Dictatorship With an Independence Without Freedom.

Before that interview, in an article in the EXPRESS weekly of 20 April, he said that only when he arrived in the south did he realize how deceitful the communist propaganda was, because the south was then so affluent. This he concluded: Since then, the Communist authority has continued its repressive policies, and we have gained independence, but we have experienced freedom yet. He also told the LIBERATION paper: I believe that I will be coming back, because things will be changing, and so forth.

We will discuss his memoirs on another occasion. In this essay we will only look at his notion of freedom. Talking to the press during an important memorial day of the country, he said: I, a colonel from North Vietnam, liberated Saigon. What did he mean? Everybody knows that though his rank was colonel, Bui Tin was only a journalist of an army paper following the liberation forces to Saigon just like hundreds of other journalists. Bui Tin was not a gun carrying soldier and troop commander. Shamelessly portraying himself to the press in such a way, Bui Tin was trying to inflate himself into an outstanding hero, just like a frog trying to bloat itself to be as big as a cow. Is it true that Bui Tin himself and the chief editor of the paper did not realize that they were performing an embarrassing act in front of everybody? No, of course not. Everything they did aims at a purpose for which they can forgo even the truth. Their aim was reflected in the second part of the statement: I have brought misfortune to this city. The idea behind the statement is that Bui Tin wanted readers to understand that he felt mournfully sorry when he had to reveal such a painful truth that brought him immense remorse, as if it has been a major tragedy in his life. He thought that as a liberator of people, he only brought misfortune to them, gave them evil instead of good, and has replaced the good with the evil, because he had blindly believed in the deception of the Communist regime, the regime that brought him up, nurtured him, and gave him many privileges. By only a short statement, he has revealed himself. It was not until he became a political dissident, or when he could not cope with poverty and backwardness of a country at the end of a tunnel, or when he felt he could no longer live with communist dictatorship, that he had to leave the country to fight for freedom, as he has always boasted. Since those days 20 years ago, he has betrayed his country by considering liberators to be aggressors and denying the great significance of the 30 April 1975 historic victory, for which our people had to sacrifice their flesh and bones. Giving himself the right to slander the people who had nurtured him: Is that freedom to Bui Tin?

Telling a newspaper about his life in a foreign land, Bui Tin said he does not feel lonely, since he is living with a clear conscience in his fight for freedom and truth, and he said that many friends understand and support him. These statements might be the truth to Bui Tin. To other people with a conscience, it is not something that they cannot understand, since his traitor's logic with all the tricks of turning white to black and vice versa fits completely with the taste of people with hostility toward our regime and system. Why would they not use a Vietnamese loudspeaker to blacken Vietnam, as that could help add objectivity and a real life look to the play, especially when this loudspeaker had been a Communist Party member, a colonel who was present at the Independence Palace on 30 April 1975. No need to wonder about the person who translated these so called memoirs into English with the purpose, as put by him: to explain to foreign readers the situation of Vietnam in the recent past, especially about the real socialism in Vietnam, and about the mistake of applying Marxism in Vietnam, which brought poverty and backwardness to the country. That person is no stranger: Mr. Do Van, one of the well known anticommunist and antiVietnam people of the Vietnamese Section of BBC. Birds of a feather flock together, so this cooperation surprises nobody. It only goes from bad to worse for Mr. Bui Tin, because once he sold his soul to devils, then he has to obey whatever the devils tell him to do. He even has to do 10 times more than what those devils ask him to, just to remain supported by them in the long run. They said: Vietnam does not have democracy, so Bui Tin repeated: We have independence but not freedom. They said: Vietnam violates human rights and persecutes people of different political views, and Bui Tin paraphrased: Since then, the communist authority has continued repression. They called for subversion with the campaign Bring Fire Inside the Country, and Bui Tin said: I believe I will come back, since things will be changing at home, and so forth.

The 30 April 1975 historic victory and the preliminary success in the renovation undertaking are great achievements that nobody in the world, including our former foes and those who do not support our revolution, can deny. No matter how hard Bui Tin tries to disguise his betrayal under beautiful masks of democracy, freedom, and human rights, and no matter how hard his sponsors care to support him, the needle hidden in the haystack will eventually come out. An owl remains an owl even if it is covered with feathers of a peacock.

## First Maritime Conglomerate Established

*BK0806105495 Hanoi VIETNAM INVESTMENT REVIEW (VIETNAM SHIPPING TIMES SUPPLEMENT) in English 2 May-4 Jun 95 p 1*

[Article by Vo Nhat Thang]

[FBIS Transcribed Text] In what industry experts call a positive step to strengthen the development of Vietnam shipping, on April 29, 1995 Prime Minister Vo Van Kiet signed Decree No 250/TTg to officially establish a maritime conglomerate — the Vietnam National Shipping Line (Vinalines).

As stated in the decree Vinalines will function as a nation-wide independent shipping group operating on self financing as a separate legal entity and acting in accordance with its charter of associations.

The conglomerate will join Vietnam's four largest State-run shipowners, Vosco, Vinaship, Vitranschart and Vietracht, under one banner. Falcon, a young tanker company, will also join Vinalines.

The decree urges other State maritime transportation enterprises and marine related services to merge with Vinalines.

Vinalines' head office will be in Hanoi, overseen by a five- member Board of Management. The president of the Board together with its members are to be nominated by the prime minister, while the deputy general director and chief accountant are to be appointed by the Minister of Transportation.

The decree also states that Vinalines should strive to advocate a powerful national merchant fleet with a right to carry 40 percent of export-import goods to and from Vietnam.

The prime minister entrusts Vinalines to deal in all kinds of shipping, charter and other maritime related services including port operation, ship repair, ship agency and brokerage, import- export of marine materials, equipment and machinery, and recruiting.

Vinalines should also promote, develop and support the common interests of their member units in all matters concerning the development of the national shipping industry in general and efficient and economic carriage of goods and passengers by sea in particular.

## Political Bureau Member Visits Province

*BK0906104595 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 7 Jun 95*

[FBIS Translated Text] Comrade Vu Oanh, member of the Party Central Committee Political Bureau, recently paid a working visit to Nam Ha Province to inspect the implementation of Circular No. 08 issued by the Party Central Committee's Secretariat. The circular detailed the implementation of Party Central Committee's resolution no. 8-B stipulating the renovation of the party mass mobilization task and the consolidation of the link between the party and the people.

Comrade Vu Oanh hailed Nam Ha for its early start in implementing Resolution 8-B, and affirmed that the revolution undertaking belongs to the people, is by the people, and for the people. As the ruling party, its role at the various levels and policies on mass mobilization is even more important than ever. The party and state should lead and help the people improve their living standards and eradicate hunger and reduce poverty. It should fulfill the aims of making the people prosperous, the country strong, and the society equitable and advanced. These are the most important issues in mass mobilization.

### Kon Tum Party Committee Hold Expanded Meeting

*BK0806112495 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 6 Jun 95*

[FBIS Translated Text] The Kon Tum party committee recently held an expanded conference with party committee secretaries of districts and cities to discuss preparations for the upcoming party congresses at various levels. The conference also discussed and nominated delegates to these congresses.

Prior to these congresses, party committees at various echelons will meet to review the implementation of the party Central Committee's third, fourth, fifth, sixth, and seventh plenum resolutions and will discuss measures to effectively carry out the party eight plenum resolution. While implementing these resolutions, party committees must strive to satisfactorily carry out the socioeconomic, national defense and security tasks of the province.

The Kon Tum party committee also issued a resolution on work related to the planning, training, fostering, and using of cadres from now to the year 2000 which is aimed at gradually enhancing the quality of cadres to enable them to fulfill all the assigned tasks.

### Local Party Committees' Performance Appraised

*BK0806120895 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 4 May 95*

[FBIS Translated Text] As of the end of April, various province and city party committees under the direct jurisdiction of the central authority had completed appraising 70 percent or more of their grass roots party organizations and nearly half of the number of their party members.

The number of grass roots party organizations that attained the standards for cleanliness and steadfastness increased by 12 per cent or more while the number of grass roots party organizations that were rated as weak was on the decline.

More than half of the number of party organizations in over 20 provinces and cities attained the standards for cleanliness and steadfastness.

Eleven provinces and cities plan to bring the number of their weak grass roots party organizations down under 5 per cent. With the two party organizations of the foreign relations and railway blocs in particular, they no longer have any grass roots party organizations that are rated as weak.

Along with the appraisal of grass roots party organizations, party organizations have proceeded with analyzing the quality of party members and commending those party members who are outstanding. The number of party members who have satisfactorily developed their effects toward the people is on the increase while the number of party members who have faced punitive actions for discipline violations is growing smaller and smaller as compared with previous years.

## Australia

### Resolution Urges PRC To Release Businessman

*BK0806080995 Melbourne Radio Australia in English 0500 GMT 8 Jun 95*

[FBIS Transcribed Text] The Australian Senate has called on the Chinese Government to free Australian businessman, James Peng, unless there is sufficient evidence to convict him. The Senate passed a formal motion calling for Mr. Peng's release from prison and expressed deep concern at his prolonged detention.

The Senate motion says the repeated return of Mr. Peng's case to the procurate for supplementary investigation raises serious doubts that the charges against him can be substantiated.

Australian National Party senator, Sandy Macdonald, says the resolution sends a strong message overseas that Australia is serious about ensuring its citizens have proper protection under the law when they are in another country. Mr. Peng is being held in a southern Chinese jail for more than 20 months on charges of embezzlement. Since his one-day trial in Shenzhen last November, the court had sent the case back to the prosecution three times for more evidence.

### Sino-Vietnamese Boat People To Return to PRC

*BK0806050395 Melbourne Radio Australia in English 0100 GMT 8 Jun 95*

[FBIS Transcribed Text] Australia is sending another 75 Sino-Vietnamese boat people back to China today under an agreement signed earlier this year. The Australian Immigration Department said the group had flown out of Port Hedland, bringing to 138 the number of people returned to China under the deal.

The boat people being returned today came to Australia on four boats late last year, although they had previously been settled in China and had been granted the protection of the Chinese Government. In January of this year, Australia and China signed a memorandum of understanding allowing for the return of the Vietnamese and their families under agreed verification arrangements. The agreement is supported by the United Nations High Commissioner for Refugees.

### Editorial Views Ties With Papua New Guinea

*BK0706075195 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 30 May 95 p 20*

[Editorial: "Firm stand needed on PNG reform"]

[FBIS Transcribed Text] Twenty years ago, Australia was packing its bureaucratic bags ready to leave its sole significant colony: Papua New Guinea [PNG].

Since Independence on September 16 1975 — an event to which the previous generation of Australian politicians, led by Mr Whitlam and Mr Peacock, still refers with especial pride — the relationship has inevitably cooled.

Considerably fewer Australians now work in PNG. Australian aid — which at $325 million in 1995-96 still amounts to 20 per cent of total Australian aid — has declined, as a share of the PNG Budget, from 40 per cent to below 20 per cent. Both countries are seeking a closer enmeshment with the Asian countries to their north-west.

It is no longer appropriate to talk of a "special relationship". But a relationship, and a close one, is inevitable between neighbours. And the rest of the world, including the US and the significant regional powers such as Indonesia, view the "management" of PNG's travails in part as a test of Australia's own skills and influence.

A treaty — the result of smart foresight by a former PNG Secretary for Foreign Affairs — holds Australia to present aid levels until 2001, although by then it will be administered through projects, not as direct Budget aid.

The pattern of spending until then will be directed by a review in September — when Mr Keating will be in PNG for the annual South Pacific Forum, in Madang, and then the 20th anniversary events in Port Moresby.

However, PNG's needs — driven by a periodic shortage of foreign exchange set to peak again in a month, and resulting from years of growing Budget deficits — are dictating bids for quicker and bigger injections of funds.

The flight of Prime Minister Sir Julius Chan to a holidaying Mr Keating in Cairns was the last throw of the dice, as far as tapping Australia is concerned. Mr Keating had the Reserve Bank send up a $US20 million loan, and another $US20 million was offered as soon as an agreement was reached with the World Bank for a structural adjustment program and the International Monetary Fund for a standby facility.

The terms of such a package were first discussed with Finance Minister Mr Chris Haiveta when, having just joined the Government, he attended the Bank and Fund annual meetings in Washington last September.

They are eminently sensible and workable, and amount to a strategy for catching up with the rest of this fast developing region — appropriate for a new member of APEC [Asia-Pacific Economic Cooperation] and of the World Trade Organisation; fiscal restructuring to focus spending on capital not recurrent items, and to upgrade education, health and infrastructure; promoting private sector growth by reversing the rise of protection; promoting sustainable development in the frontier world of the logging industry; and building support for its macro-economic program by informing the community of "the seriousness of the challenge ahead" — as Mr Keating did with his banana republic warning.

PNG is only likely to face up to its deep economic challenges if the international investment and donor community speaks with one voice. Thus Australia must maintain solidarity with the rest of the donor community on the structural adjustment program.

And so far, no one in Canberra has blinked. It is thus unlikely that the $250 million country risk guarantees vital for the Lihir gold project — which has made the admirable appointment of Professor Ross Garnaut as chairman — will be forthcoming until a Bank-Fund deal is done.

This puts the World Bank in the forefront of the developing stand-off with PNG; a role it is best placed to play. If Australia makes concessions now, not only will it have to pick up a much higher tab, but its role as saviour will be distorted by the requirement for it to take over the role of tough-talking economic coach from the Bank.

For except for the quasi-float of the kina, little economic reform has been effected in the nine months since the program was proposed to PNG, despite encouraging words in the 1995 Budget.

Implementation of reforms remains a huge challenge. To stand a fair chance, PNG must re-enlist the many impressive citizens who have been rejected by, or have themselves rejected, an administrative system politicised to a crippling extent by patronage by succeeding governments.

And its leaders must accept a loss of some of the discretionary powers on which they have come to depend. Such an acceptance is not, as Commerce and Industry Minister Mr David Mai claimed last week, tantamount to ceding sovereignty. Such "sovereignty" amounts to building a wall around PNG's present decline into poverty, and cannot be sustained as globalisation gathers pace.

This is not a message directed discriminatorily at PNG. Mr Keating told Japan in Tokyo last Thursday that its own deregulatory reforms had not gone far enough.

Ultimately, it is a message, and a role, that amounts to keeping faith with those "fuzzy wuzzy angels" whose heroism and faithfulness is being honoured this year, and whose lives — and those of their younger families — have increasingly been lived in the shade of disappointment as the bright developmental hopes of 20 years ago have faded.

## New Zealand

### Prime Minister Warns France on Nuclear Tests

*BK0706035295 Hong Kong AFP in English 0341 GMT 7 Jun 95*

[FBIS Transcribed Text] Auckland, June 7 (AFP) — New Zealand will make a "firm response" if France resumes nuclear testing in the South Pacific, Prime Minister Jim Bolger told parliament Wednesday, but he would not spell out what the action would be.

His comment came several hours after the environmental movement Greenpeace announced it would "do what it takes" to stop nuclear testing at Mururoa Atoll in French Polynesia and would be sending its ship Rainbow Warrior II there next week.

French President Jacques Chirac is considering whether to resume testing, suspended in 1992, although aides to him said Tuesday that no decision was imminent.

Defence Minister Charles Millon confirmed Tuesday that military experts were recommending Paris resume nuclear experiments to maintain a credible deterrent, raising the prospect of a confrontation with South Pacific nations and ecologists.

Speaking at Question Time, Bolger told parliament New Zealand's "serious concerns" had been raised several times.

"I made clear to president-elect Chirac in a conversation I had with him in Paris on May 8... that a resumption of testing would be very badly received in New Zealand and in the South Pacific."

On Tuesday when the New Zealand ambassador in Paris called on Chirac's diplomatic advisor to express concern.

"My hope, shared by all New Zealanders, is that the new president of France will not, will not, recommence nuclear testing.

Opposition leader Helen Clark asked Bolger if, in the event of nuclear tests resuming, New Zealand would cut military ties with France.

Bolger said such action would have an impact on Bosnia where New Zealand and French forces were in the same peacekeeping force.

"Should we punish the people of Bosnia who are suffering so appallingly (?now) because of a decision that the French government might take in the Pacific?"

When asked what he would do an opposition MP asked if New Zealand would go to war over the issue, Bolger replied: "No, can I say to the interjector, we are not going to war with France... and no we are not going to make threats...

"We will take an appropriately firm response at the time and we will carry it through."

Earlier Greenpeace campaigner Stephanie Mills said Rainbow Warrior II would sail Tuesday for French Polynesia.

She said a resumption of nuclear testing would put France in the same category as China — "as a pariah of the international disarmament community".

Mills said they would not make their tactics known in advance.

"What we will do whatever we think is effective and necessary in a peaceful way to prevent a resumption of nuclear testing and that clearly will depend on the political situation in France at that stage, and will depend on what we think will be effective when we are there.

"But we are prepared to do what it takes to stop nuclear testing resuming at Mururoa." [passage omitted on history of Greenpeace action against France, Rainbow Warrior affair]

Mills said they expect to arrive in Papeete, Tahiti, around June 28 where they will take on board French Bishop Jacques Gaillot who was sacked from his post for his leftwing views and the mayor of Faa'a, Tahiti, Oscar Temaru, who is a leading anti-nuclear campaigner.

In Canberra, the Australian government on Wednesday declined to make any immediate comment on French plans. A spokesman for the Department of Foreign Affairs and Trade said he would not make any public statement "because the government of France has not made a decision."

"We made our total opposition to nuclear testing by weapon states clearly known, to not just the French government but to many governments."

### Warns of 'Firm Response'

*LD0706114695 Melbourne Radio Australia in English 0700 GMT 7 Jun 95*

[FBIS Transcribed Excerpt] New Zealand has said it will make a firm response if France resumes nuclear testing in the south Pacific.

The prime minister, Jim Bolger, told parliament New Zealand's serious concerns had already been made known several times to France's new president, Jacques Chirac. [passage omitted]

Mr. Bolger said that he had told President Chirac that a resumption of nuclear tests would be very badly received in New Zealand and that New Zealand's ambassador in Paris had this week reaffirmed New Zealand's concern.

His comments come hours after the environmental group Greenpeace said it would send a flagship, Rainbow Warrior II, to Mururoa to do everything it could to prevent France reopening nuclear tests. Greenpeace also urged New Zealand to take the strongest possible stand against any French nuclear decision.

### Frigate Visit Ends Ban on Foreign Warships

*BK0906034795 Melbourne Radio Australia in English 0100 GMT 9 Jun 95*

[FBIS Transcribed Text] The first British ship to visit New Zealand since a ban was imposed on naval visits in 1984 has berthed in Wellington. The arrival of the frigate Monmouth and the tanker Brambleleaf later today marks the end of an 11-year ban on foreign warships visiting New Zealand as part of the country's nuclear-free policy.

The ban caused the United States to downgrade defense relationships with New Zealand and the British quietly adopted a similar stand. British diplomats in Wellington say today's visit signals a return to normal business between the Royal Navy and its New Zealand counterpart. It follows Britain's decision four years ago to remove tactical nuclear weapons from its surface ships and is expected to be the forerunner of more regular visits.

Both vessels will sail for Auckland on Monday to join a Five Power defense exercise.

### Coalition Government Faces No-Confidence Motion

*BK0806104995 Hong Kong AFP in English 0846 GMT 8 Jun 95*

[FBIS Transcribed Text] WELLINGTON, June 8 (AFP) — New Zealand's coalition government was in trouble Thursday after a backbench member joined a rival group and an opposition party scrapped its election night pledge not to bring down the government.

Despite the bad news Prime Minister Jim Bolger voiced confidence that his government would see out its parliamentary term until elections due late next year.

Government backbench MP Trevor Rogers announced he was quitting the ruling National Party immediately to join the Right of Centre Party (ROC). Later in the day opposition Alliance Party leader Jim Anderton tabled a motion of no confidence in the government.

"It is time to revisit the question of National's mandate to govern," he said in Parliament, which was debating last week's budget.

"It is clear that this budget does not reflect the wishes of ordinary New Zealanders and that it has failed to go any distance at all towards setting in place the policies New Zealanders demand."

The Labour Party has also tabled a no confidence motion. If either succeeds, the government will have to resign. The vote will take place next Thursday.

The drama is a result of a referendum in 1993 when New Zealanders voted to dump first-past-the-post voting, which has delivered solid two party rule for over half a century, and instead opted for mixed member proportional representation.

Party infighting has become rife.

Thursday's move by Rogers means the government now has the support of only 47 of the 99 seats, while the main opposition Labour Party has 44. Labour also provides the speaker. National can only govern with the support of the ROC, which now has two MPs and the lone Christian Democrat Party MP. New Zealand First holds two seats and Future New Zealand one.

The Alliance holds two seats. Last year Anderton said he was stepping down for personal reasons following the suicide of his daughter, but two months ago he reversed his decision.

On current numbers, Bolger would survive if the ROC and the two smallest parties support him. Political commentators say it is likely National will win the support of small parties because the new parties are not ready for an early election.

Bolger told reporters he was not surprised by Anderton's move.

"He has always been a bit of an opportunist. But we still have a majority with the coalition partners we have who have a commitment to vote with us," Bolger said.

He said Anderton had broken his word, but Anderton said this was not so.

The government had pushed a series of "arrogant measures" through parliament and last week's budget was the last straw, he said.

"It is a declaration of war on poor people".

Rogers cited dissatisfaction with the government's handling of republicanism which he opposes, Maori issues, and the surtax on pensioners' incomes as among the reasons for his departure.

Rogers said he was also concerned by the apparent presence of two laws, "one for radical Maori" and one for all other New Zealanders, and by the republican debate, initiated by Bolger.

Rogers said he thought the issue had died, "only to discover that the new proposed constitution for the National Party deletes any reference to loyalty to the Queen on the spurious argument that everyone is supposed to know that the National Party of New Zealand is loyal to the Queen".

## Papua New Guinea

### PRC Official Protests Taiwan Recognition

*BK0706035695 Hong Kong AFP in English 0343 GMT 7 Jun 95*

[FBIS Transcribed Text] Port Moresby, June 7 (AFP) — China has protested to the government of Papua New Guinea over its decision to formally recognise Taiwan in return for financial and technical assistance, Chinese officials said here.

Port Moresby's decision, reported from Taipei last week, was confirmed here Tuesday by Acting Prime Minister Chris Haiveta who said the arrangement had been formalised in a communique which he signed with Taiwan's Foreign Minister Frederick Chien in a recent visit.

A spokesman from the Chinese embassy in Port Moresby told AFP Tuesday that Beijing was still awaiting an official response to its demand that the communique be withdrawn and Papua New Guinea's recognition of Taiwan be reviewed immediately.

"Our position is clear," the spokesman said. "Papua New Guinea has diplomatic relations with China, and this is bound by a joint communique signed in 1976 when both countries established diplomatic ties."

The basis of diplomatic ties between Papua New Guinea and China has been that Papua New Guinea recognise the one-China policy, he added.

"We have seen a copy of the communique signed in Taiwan and have asked the Papua New Guinea government to withdraw its recognition of Taiwan."

China has in the past provided significant aid to financially- strapped Papua New Guinea, such as in major construction projects financed through soft loans.

The bilateral row has flared as Papua New Guinea faces mounting pressure for urgent financial reforms by the World Bank and International Monetary Fund.

Port Moresby maintains it has a right to seek assistance from any source, provided it falls within the framework of policy reforms recommended by the World Bank and International Monetary Fund.

Haiveta, acting for Prime Minister Sir Julius Chan who is overseas, told journalists the communique paved the way for Port Moresby to directly source technical and financial assistance at concessional levels to assist in funding projects included in the 1995 budget.

Haiveta said commitments had been given to Taiwan on a political level and it was now up to officials from both governments to negotiate the terms and conditions of assistance from Taiwan.

Papua New Guinea could borrow up to 300 million kina (234 million US dollars) in budget support funds from Taiwan.

While Papua New Guinea's position remained unchanged on the one- China policy, as a sovereign nation, it must be left to decide its own destiny, he added.

"I have always maintained that we as a country must decide our own fate, our own destiny," he said. "We will not listen to the Chinese, the Australians, or anyone for that matter.

Taiwan foreign ministry officials announced last week that it had signed a joint-communique with Papua New Guinea on May 22 establishing mutual recognition and calling for improved bilateral ties.

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